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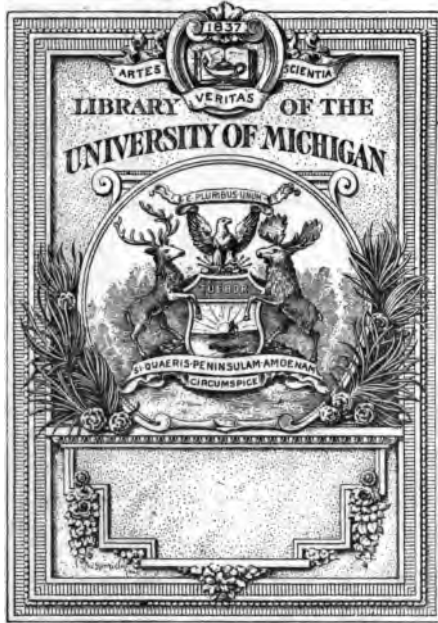
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BUSINESS

THE HEART OF THE NATION

CHARLES EDWARD RUSSELL



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B U S I N E S S
THE HEART OF THE NATION



BUSINESS

THE HEART OF THE NATION

BY
CHARLES EDWARD RUSSELL

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BUSINESS THE HEART OF THE NATION

CHAPTER I

THE STORY OF THE REPUBLICAN PARTY AND BUSINESS

As a rule, in a parliamentary country, a new political party will owe its birth to some protest against established Privilege; for with Privilege man has waged almost incessant war since the day he emerged from the jungle. Now, the essence of Privilege is the opportunity to exploit somebody or something, which is all there is or ever was of absolutism, autocracy, imperialism, monarchy, satrapy, feudalism, orders of nobility, hereditary legislators, personal government, taxation without representation, and all the other forms of oppression against which the oppressed have revolted. The names of these things change with the years; so likewise change the forms. At heart they remain the same.

The particular form of Privilege that caused

the birth of the Republican Party of the United States was the privilege to own and exploit negro slaves.

Parties are not made. They come into being of themselves, evolved from the stress of tremendous conditions. They are born out of the people, and always from the bottom of the pile. Thence they ascend toward the top and there they are corrupted and finally stifled by the force they were born to fight.

Before the Civil War what may be called the reactionary or feudal influence of the times was centered around slaveholding. The Interests then owned slaves as they now own railroads, mines, and colossal industries. In those days Privilege was much more candid than it had ever been before in this country or will ever be again. It frankly and openly owned and directed the national Government, the President, the cabinet, the supreme court, both houses of Congress, the lesser federal courts, the federal officers, the army, the navy, the judges, most or all of the state legislatures, most of the state courts, most of the press, all of the politicians, most of the pulpit, and whatever else might be useful, all plainly and joyously owned in behalf of the slaveholding Privilege. If a senator ventured to object, Privilege, through

one of its congressmen, struck him down with a bludgeon on the floor of the Senate. If a private person dared to protest, Privilege had him dragged through the streets of Boston with a rope around his neck, or burned his roof over his head, or threw his printing-press into the river, or shot him in the back, or hanged him. If a group of conscientious men and women dared to oppose these things Privilege covered them with ridicule, pelted them with stones, and offered rewards for their heads. All smiled upon Privilege; year by year Privilege swept away the barriers about it, made and unmade the laws, stretched itself farther upon the prostrate nation.

In the midst of these triumphs, came the Republican Party as a protest against things no longer to be endured. Nobody founded the Republican Party: it founded itself; it sprang full formed and full armed from the head of revolt. The old Whig Party had passed with rather more than the usual speed through the usual party processes. It had begun as the protest of those that did not think it right that the slave-owners should own everything; it had ended as the slimy and obsequious valet of the slave-owning power. Privilege had seized and rotted it. Hence, evolution produced a new protest.

At first it was a protest of much fervor, purity, and power. Few parties have had nobler origin. The innermost hearts of men, the last sublimity of their souls, told them that the unrighteousness of slavery had gone far enough. It was conscience that spoke in the new party, the stern, implacable, last conscience that awakens at the end of riotous living. All had gone far enough — the control and perversion of justice, the insolent tyranny of the slaveholding class, the humble subservience of courts, pulpit, and press, the corruption of public men, the civil war in Kansas, the hanging of John Brown, the threat of foreign war to maintain the principle of slave-catching, the infinite humiliation of the country before the scornful gaze of the world, the multiplex horrors of the slave pen, human beings on the auction-block — all had gone far enough. Conscience could endure no more. There was a moral revolt against the sin and crime and shame of this thing; men put their backs to the wall and said they would endure no more. It was not economic, and it was not coldly reasoned: it was moral man stung at last to a sense of sin, with his face turned again toward righteousness; and out of that moral upspringing advanced the Republican Party — led by the spirits of John Brown and Elijah Lovejoy.

So strange was its destiny that almost at once it was of memorable service to the country and to the cause of free government. It was in control of affairs when the supernal crisis came in the history of the Union. No man may now deny that in the hot fires of the Civil War the party on the whole bore itself with credit. It was fortunate, to be sure, in the leadership of sincerely good men, battling for a fundamental principle of human freedom; men, I mean, like Charles Sumner, Henry Wilson, George William Curtis, Thaddeus Stevens, E. B. Washburne, Edwin D. Morgan, Joshua R. Giddings, James W. Grimes, and Charles Francis Adams, who served for service's sake and not for their own advantage; but in the main it was carried on by the great initial impulse, which was chiefly moral. Read over that first platform of 1856 and be stirred even now by the purity and moral worth of an utterance that came straight from the hearts of good men deeply moved. Being thus born of what may be called a passion for righteousness, and withstanding well the first test of an unequalled crisis, there was substance for a time in the familiar boast of its champions that it was a party of moral ideas.

But it paid the almost certain penalty of great

success and the passing of the original moral impulse. With the close of the war, the progress of reconstruction, the long lease of power, there began to be sown and reaped successive crops of scandals; the Freedmen's Bureau, the Credit Mobilier, the Whisky Ring frauds, the back salary grab, the abuse of the franking privilege, stained one after another the good record. Moreover, for the sake of success upon one issue it had bartered away justice on another issue. Thereby it had implanted in its heart the germ of its own ruin, and this distemper quickly began to manifest itself.

It was called the Protective Tariff.

The first platform of the Republican Party said nothing about protection, but the first campaign was a forlorn hope for the pure sake of liberty; the second began with an obvious chance to win, as the following table clearly shows:

The popular vote of 1856 was:

Buchanan (Dem.)	1,838,169
Fremont (Rep.)	1,341,264
Fillmore (Amer.)	874,534

The electoral vote was:

Buchanan	174
Fremont	114
Fillmore	8

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In 1860 the popular vote was:

Lincoln (Rep.)	1,866,542
Douglas (Dem.)	1,376,957
Breckenridge (Dem.)	849,781
Bell (Union)	588,879

The electoral vote was:

Lincoln	180
Douglas	12
Breckenridge	72
Bell	39

Before this obvious lure of victory men injected the fatal virus of "practical politics," the very name of which is always a sign of something rotten. The hope of the new party was in the old Whigs and the Northern workingman; good "practical politics" demanded that some inducement be offered for these votes; and protection was thus lugged in as neatly supplementing with reasons of pocket the altruistic appeal of the moral idea. You may be interested now in reading the plank that thus first sullied with expediency the gloss of the new party's honor. Here it is, platform of 1860:

12. That while providing revenue for the support of of the whole country, and we commend that policy of the general government, by duties upon imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests

by national exchanges which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the nation commercial prosperity and independence.

Being thus committed to Protection (which was an old Whig doctrine) the exigencies of the Civil War furnished an excuse for an abnormally high degree of protection, and the country saw the heaviest import duties it had ever known. The science of statesmanship is still in its infancy, and in modern times at least few men have appeared with a trustworthy gift of prophecy. Nobody suspected what might come of this, or it is certain that the party leaders would have thought many times before they started the organization upon a downward way. The tariff did some things it was advertised to do. It built up some home industries; it developed manufacturing in the north; it created large factory populations. But it also did some things it never had been advertised to do.

It produced the first great and menacing fortunes we had in this country.

It infected and corrupted men's minds with the lethal idea that the machinery, power, and influence of Government might properly be used to

enhance the fortunes of a few men at the expense of many.

It developed a new and powerful set of Privileged Interests that before long began to dominate national affairs in much the same manner as the slaveholding Privileged Interests had dominated affairs before the Civil War.

Above all it founded and rapidly built the system by which the support and favors of Government were exchanged for campaign subscriptions — to any party the most deadly of all commerce.

Under these new forms of Privilege, therefore, the party that had been born of a passion against Privilege was soon in a greasy intimacy with the very evil it had been planned to destroy. That was the sum and substance of the situation. The party was in power and the men that held fat offices, who were usually the men that directed the party's policy, desired it to remain in power. The new Interests made their huge profits by means of an unfair advantage upon the public. This advantage they secured from legislation; the legislation lay in the hands of the men that directed the party and wished to remain in power, and the success of the party could be secured (most often) by campaign subscriptions. The Interests paid over the counter their campaign

subscriptions and helped themselves to more privileges from the national shelves. That is the true nature of the transaction.

The privileges lay in tariff duties. These kept out foreign-made goods and enabled the Interests to charge the American consumer an abnormally enhanced price. By a convenient subterfuge the Interests were supposed to divide with the workingmen the rich proceeds thus devised. This kept the workingmen quiet and induced them to march dutifully to the polls and vote for the continuance of a system they could have ended at any time. The exact extent of the division and its nature could be seen compendiously and at all times by any one that cared to compare the earthly state of Mr. Carnegie (let us say) with the environments of one of Mr. Carnegie's workingmen. But the workingmen never seemed to make this comparison: hence the grand old game went on pleasantly as before.

One great assistance upon its prosperous way was a device to which future generations will certainly look back with wondering amusement. It was called Loyalty to Party, and the essence of it was that if a man had been born a Republican or had voted the Republican ticket for many years, he must continue to vote the Republican ticket no

matter what might be the Republican policy or who might be the Republican candidates or what might be to the man the consequences of Republican success. He must not only vote the Republican ticket but he must also get out and shout madly for Republican orators, and carry torches in Republican parades, and feel elated about Republican victories, no matter whether there was any sense in them or not. And he must despise every man that was not a Republican and regard him as a low creature and an enemy of the country. And he must vote for a bad man for constable on the Republican ticket and not vote for a good man on any other ticket. He must vote the Republican ticket just as he went to church or had family prayers or tried to tell the truth.

This singular obsession prevailed enormously through the country and gave rise to the chief asset that the party managers delivered in exchange for campaign subscriptions. It was called the Regular Party Vote. It could be delivered any time for any doctrine or for any man. It could be contracted for as men contract for bricks from a kiln. Immutable, solid, enduring, it could be delivered in chunks or in slices.

And this, too, strange to say, was in some measure the product of the lofty moral enthu-

siasm in which the party was born, for as men were moved by exalted faith to do great things for the principles of this party they naturally made the party the idol of their worship and conceived it to be the emblem of all things good long after it had in fact fallen far from its original ideals. Among such men party loyalty was a kind of religion; and party doctrine, whatever it might be or in whatsoever shape delivered from the Sinai of the party convention, was accepted with reverence. No such man ever cared to question whether the high protective tariff were good or ill; enough for him that it was in the Republican platform.

Next upon this foundation of rock-rooted loyalty the party managers could, under the proper conditions, place a considerable element of unattached voters and the men that were apt to neglect the ballot box, and for these the proper conditions were what are called an "aggressive campaign" and "getting out the vote." Beyond these were again the venal voters and the men that were independent on conviction, both steadily increasing factors in the situation.

The necessity for great campaign funds was first chiefly to make "aggressive campaigns" of noise and fictitious enthusiasm and to "get out

the vote"; but after a while the venal element came to be very important, until its manipulation was a craft or a business in which both parties had about equal share, varying with the amounts of their respective campaign funds. Thus the business of buying high tariff duties or other governmental favors at the top became colonization, false registration, and wholesale bribing when it had filtered to the bottom, and what was a huge evil at the source was a monstrous crime in the full stream.

Another noteworthy feature about the alliance between the party managers and the Interests was its marvelous development. It grew day and night like the prophet's gourd or a scandal in a New England village. The tariff steadily created new Interests and every new Interest instantly became a bargainer for more advantages to be obtained at the price of campaign subscriptions. Campaign funds meant an assurance of party victory, and party victory meant offices and power, and thus the vicious circle was complete. I suppose that under the existing system there could never be in this world a party with enough moral stamina to resist such a constriction.

The whole thing was rotten and produced a huge crop of still worse rottenness. The exam-

ple of monstrous fortunes suddenly gathered with the help of the Government through the tariff, started a brood of fortune gatherers that wanted other advantages. If one set of men could prey on the public in one way, another set naturally wanted to prey on it in another way. The Standard Oil Company, of whose law-breaking the famous and comic \$29,000,000 fine covers an infinitesimal part, marshaled the way to corporation knavery. Evolution fell in upon the same side. The sure process of consolidation and improved economy made great corporations inevitable, and the great and enormously powerful corporations became in their turn bargainers with campaign subscriptions, and the once splendid Republican Party, the first breath of whose life had been opposition to the Interests, became of the Interests the bound slave and beaten lackey.

The Interests selected its candidates, wrote its platforms, dominated its conventions, and dictated its policy.

Only one thing kept it then from imminent death. The party that opposed it came to be dominated in the same way, by the same influences, for the same reasons, and to about the same extent. Not quite the same extent, because not being in power in the national Government there

was not the same occasion for corruption. So far as national politics was concerned, the Democratic Party was corrupted chiefly as a possibility. It was not in power, but it might be; therefore the Interests corrupted it also. This was in national affairs. In State and local affairs the Democrats were often in control. In such States and places the Interests were Democratic. They kept careful watch of political drift and veered accordingly. For instance, in 1883 there began in Iowa a widespread popular revolt against Republican rule. I remember sitting in the gallery of the Democratic State Convention that year, and General Weaver, who sat next to me, pointed out on the floor beneath fourteen railroad attorneys and lobbyists that had never before taken the least interest in any Democratic convention, and were now among the most active delegates.

I suppose about all this it may be observed that the Interests did not deliberately set out to corrupt our politics and overturn the Republic; and the men that conducted the two parties did not admit their own corruption. The thing was so insidious and so plausible that even a good man might be drawn into it and be unconscious of his own defilement. To gather campaign funds for our party — what harm there? To most men

loyalty to their party was hardly less admirable than loyalty to their country, and partisan fervor was a kind of patriotism. Hence, to obtain campaign subscriptions was an act of virtue. And to give liberally to the campaign fund of our party — what harm could lie in that? A man might give to his party as he gave to his church.

But the substance of the thing was a corrupt bargain and sale, nevertheless. At first it was so much money for so much tariff maintained: later it became so much money for so much immunity from the laws. The men that conducted the great combinations like the Standard Oil Company, the Beef Trust, and the railroad companies continually violated the laws and rendered themselves liable to conviction and imprisonment. They were never seriously prosecuted because they were liberal subscribers to the party campaign fund. In other words, that which we execrate a Tammany police captain for doing on a small scale to a wretched dive-keeper the government officers did on a large scale to the great corporations.

Here a very curious fact is to be noted and one likely in the future to give some joy to the cynical. The men that thus bribed the Government to connive at law-breaking were greatly respected and the foremost citizens of their respective com-

munities. They were, almost without exception, rated as bulwarks of good government, and some of them were actually engaged in denouncing the Tammany police captains at a time when they themselves were sunken to the neck in a more hideous pool of blackmail and bribery.

To go back a little (for these things in their perfection are of the latter days) the first appearance of the new Interests as a powerful and compelling factor in the affairs of the nation was in 1876-77, when they kept out of the office of President a man that had been fairly and truly elected thereto. Looking back impartially, the evils that came upon us from the national tolerance of this deadly assault upon the Republic seem incalculable. To mention but one, and that enough, it weakened everywhere the sanctity of elections and strengthened everywhere the idea that the Interests could successfully juggle with legislation or the ballot-box. Of course the Interests did not alone and of their sole motion pervert the election of 1876. As usually happens they were assisted by many conditions, the surviving hatreds of the Civil War, the intensity of partisan feeling, the belief of many good men that nothing but the Republican Party stood between the country and destruction, and that therefore the

dominance of the party, however maintained, was necessary and righteous. There were also many complications concerning the vote in the Southern States, so that many good men could be deceived into a wholly false belief about the case. But the fact remains that the chief source of all the mischief was the Interests, which were threatened with an influence hostile to their Privileges and were therefore inspired to defend themselves at whatever cost to the nation.

Little public record now exists of the fact, but the one thing that saved the country from another civil war at this time was the steadfast refusal of Mr. Tilden, the president elect, to countenance one act of violence in his behalf. In the face of many counselors this much wronged man insisted upon a patient acceptance of the situation until it could be righted at the ballot-box. On the whole, too little credit seems to have been given to him for a course of notable moderation and patriotism.

Four years afterwards, when justice would naturally call for retribution and the smoldering wrath of the country threatened the Interests with disaster, they went another way to work. That year, 1880, saw the first widespread use in national politics of two devices since become of familiar

usage. The first was the systematic purchase of great quantities of votes in doubtful States; and the second, what may be called The Useful Art of Distorting the Issue. The Interests, through a controlled press, assiduously diverted the campaign from its normal channels; and they bought, in Ohio and Indiana (the two States upon which the election of General Garfield depended), whatever votes they needed. Their agents went out and bought openly, as one would buy potatoes or corn, until they knew they had enough.

Four years later, in 1884, all calculations were upset at the last moment by a certain alliterative clergyman, famous in history; but the Interests were never much concerned about the election of 1884. They had shifted their operations from the election field to the convention hall. It was cheaper to control a convention than to buy an election. The one thing they cared about was the tariff, for legal immunity had not yet become an important corporation Privilege. They arranged that the Democratic platform should pledge the party to protection as clearly as the Republican Party was so pledged, and after that they did not care. In this sudden and lamentable turn of affairs a drought struck the Republican campaign funds and hard times fell in unwonted places, with

the result that the election came near being fought out on its merits.

The accidental success of the Democrats made no difference to the Interests until President Cleveland put forth his amazing tariff message of 1887, a thing that fairly flung the glove in the face of the great protected corporations of the United States. They instantly set out to achieve his defeat, and made a thorough job of the work in hand. In the ensuing campaign of 1888 the tactics of 1880 were necessarily repeated (since Cleveland's message had made control of the Democratic platform impossible), and what had been "soap" in Indiana in 1880 now became "blocks of five," or "addition, division, and silence." Probably this year developed more vote-buying and less concealment about it than had ever been known in the country; and however much the public might recoil at the revelations and the plain appearance of what was then for the first time called "plutocracy," the fruits of the purchases were solid and undeniable. A man that had ventured to oppose the Interests had been properly crushed, and the Interests celebrated their victory with a new tariff, increased duties, and greater profits, from which doubtless they amply recouped all their expenditures. In this they were

but just in time; two years later the public disgust swept them from the control of the lower house of Congress and threatened them with a similar reverse in the next Presidential election.

We should carefully note here that one of the bulwarks of the power of the Interests has been found in the peculiar form of our Government by which the people are debarred from a rational control over their affairs and a party that no longer possesses the confidence of a nation may still continue to rule it. The Constitution makers whose fears of the people led them to create this anomalous and highly artificial condition had no idea of the trouble they were making for the future. Many times after the Interests had secured control of the Republican Party the wrathful country decreed to oust the Republicans from power, and as many times the Interests were saved by the Constitution. The displeasure of the people could go no further than to change the complexion of the House of Representatives. The rest of the Government remained as before.

At the Presidential election of 1892 the situation changed a little, for the Interests reverted to the plan of 1884 (which had been found to be cheap and efficient), and secured control of both parties by securing control of certain lead-

ers. There had also developed other Interests than the Protected Interests. The trusts and the banks (having practically the same owners) were now more important than the manufacturers, and these made sure at the very beginning that they should have nothing to fear. What campaign funds the Interests contributed that year were evenly divided between the two great parties¹ and this division materially reduced the normal Republican supply. Partly for this reason, and more because of the surviving public disgust with the previous Presidential election, the Democrats won. It was a victory sweeping enough to carry into Congress many independent and uncontrolled spirits, and much careful work was necessary before the Wilson Tariff Bill could be mangled into the Gorman substitute. But this was done in the highest style of the art, the Other Interests were bountifully cared for, and all went well in Washington.

That is, all went well except for the increasing signs of a widespread popular revolt. It was a revolt unfortunate in rallying about a doctrine of money that could be easily confused and perverted, but it was sincere and determined; and the main-

¹This has been testified to under oath by a great trust magnate.

spring of the uprising was disgust with the Interests.

In this threatening aspect of affairs there appeared a man that had for corrupt politics a genius not less than colossal. Mr. Mark Hanna gathered from the terrified Interests a campaign fund that eclipsed any fund previously collected in this country, a fund approximating fifteen million dollars. With this he went forth and bought votes in wholesale consignments. He bought votes where they were needed and where they were not needed, by single votes and by the thousand.

Five weeks before election day the Republican managers were suddenly seized with a panic, and Mr. Hanna, in the classic phrase, again "shook down" practically every corporation and money institution in the country. Some phases of this panic were extremely comic, as, for instance, when the railroads, under the influence of the fright, put great numbers of men at work in States where Republican success was absolutely certain. Yet some of the results were both pleasant and enduring. I know where there is a fine farm and farmhouse that rewarded the efforts of one gentleman that adroitly "threw a scare" into Mr. Hanna at the right time. The money was piled

knee deep around the polling places, and where there were not enough votes that could be legally cast others were manufactured. From 1896 to 1900 the country continued to grow in population, and yet the records show that the number of votes alleged to have been cast in 1896 exceeded by more than one million the number of votes cast in 1900.

This was probably the summit of political corruption in this country. It had cost so much that in 1904 the Interests had recourse to the cheaper methods of 1884. They secured control of the Democratic Convention, nominated a candidate whose defeat was absolutely assured, and were able to get along with largely reduced contributions in the campaign.

Meantime there had come over conditions in the country a very great change. The supremacy of the corporations and the Interests had become as the supremacy of the slaveholding Interests had been in 1850. It was, in fact, a national scandal. The Republican Party found itself in exactly the position of the old Democratic Party before the war. Born to oppose the Interests, it had ended by becoming their chattel. The efforts to revive dead issues failed, and Congress was forced into a series of attempts to deal with the increasing

evil by regulating it. When these efforts to curb corporation power came to be scanned, their practical futility was apparent. Even the best-intentioned reformers could not wrest the real control of the party machinery from the Interests; and men of the stamp of Cannon and Aldrich continued to shape the policies and prepare the platforms. In these conditions the campaign of 1908 partook of a funereal character. The orators roared, the bands blared, the fire-works burned and the editors toiled, and nobody cared a hang. Such a Presidential campaign had not been seen in this country in almost seventy years. The curtains had been torn away, and men perceived at last the hands that moved the manikins. With weary apathy the great mass of voters looked upon the whole dull show. Such as took the trouble to read the turgid rhetoric in which the party platforms were clothed could see no difference between their proposals, and the only phase of the campaign that awakened a spark of interest in any human breast was a series of revelations that both of the great parties were equally besmirched with the tainted money of the Interests.

The old partisan spirit was dead at last. Republicans jeered openly at the party once sacred to them, and thousands of men once fervent in Re-

publican loyalty would not take the trouble to register. When one of the foremost Republican newspapers of the country mistook the tariff plank of the Republican platform for an utterance of the opposition and proceeded to assault it, keen observers felt that the end had come. There was no campaign because as between the two great parties there was no longer any ground for choice, and the election of Mr. Taft, instead of indicating party vitality was only evidence of party decline; for millions of men voted for him without the slightest concern for or knowledge of the party declarations on which, by a convenient fiction, he was supposed to stand.

The Republican Party being obviously owned by the Interests, and therefore become inert, had avoided the only vital issue of the times, and men laughed and sneered at its stale platitudes and ridiculous bombast concerning the things long moribund. Nothing in the world preserved it from falling apart of its own decay but the one fact that its opponent was similarly owned, similarly manipulated, similarly inert. In a number of States the electorate in sheer disgust disregarded the party columns entirely and scanned the ballot for the names of honest men.

As is the race of leaves so is the race of parties.

To this melancholy downfall had come the party of Charles Sumner and Henry Wilson, Thaddeus Stevens and Abraham Lincoln, and all for one reason. It had ceased to mean anything to the great cause of man — and when that happens to a party or to a person in this world the party or the person is dead.

Dead so far as there is concerned any relation to or function in the upward march from the jungle. Otherwise there may be the semblance and show of life but this one relation, this one function is the only really important thing.

All men are born mortal but not man.

The Congress election of 1910 revealed the exact attitude of the nation toward a party that obviously had ceased to have this relation, this great function; for without confidence, without enthusiasm and practically without hope the voters took the control of the House of Representatives from the Republican Party and placed it in other hands really esteemed but little better.

More ominous still for the future of the Republican organization there appeared within it a division not to be reconciled, for, with the men and purposes dominant in the Republican control, the new Insurgent movement of the West differed too

radically to afford the least chance of amity hereafter. Thus hopelessly rent asunder the Republicans emerged from the struggle with the gloomiest prospects their party had ever confronted.

CHAPTER II

THE STORY OF THE DEMOCRATIC PARTY AND BUSINESS

IF the early history of the Republican Party was glorious, what shall we say of the early history of the Democratic Party?

The Republican Party saved the Republic: the Democratic Party made it.

Born of opposition to Privilege was this party no less; but the Privilege that it first hated and attacked was the Privilege of Monarchy. How swiftly and conveniently we slide over the sinister spots in history! Who ponders now the grimy fact that Alexander Hamilton's pet and insistent project was to have a king in the country? Yet so stands the record, plain as day. Or who reflects that, when, because of the steady fighting of Thomas Jefferson and his friends, Hamilton and his assistants failed to secure a monarchy in name, they bent all their energies to establish one in fact? Yet this, too, is writ large in our story; and out of the conflict between the autocratic creed of Hamilton and the republican faith of Jefferson

sprang up the Federalist Party on one side and the Democratic Party on the other.

Both the evil and the good that men do live after them. We have in our system of government little enough of true democracy, little enough opportunity for the exercise of the people's will. What little we have we owe chiefly to Jefferson and his fellow Democrats; what checks and obstructions and archaisms in our system survive to clog and curse us we owe to Hamilton and his fellow Federalists triumphing over Jefferson's clear vision and unawed mind.

Upon the rock of this creed the Democratic Party was formed — the broad faith in man, the broadest sympathy with man's cause. Jefferson was the first advocate of a genuine and practical democracy, the first actual champion of popular government, the first man that, clearly recognizing the caste feeling as selfishness and ignorant vanity, banished it from his heart and knew that for the guidance of the state there was no wisdom but the collective wisdom of the community.

In his day all educated men were expected to feel a sense of scorn for the less fortunate: to exalt their own great gifts and talents, and to assume that the masses of men, being untutored of politeness and much degraded, were but poor

things incapable of aught save obedience to their natural superiors. To Jefferson all this was the rubbish of surviving feudalism. First of all men he took and held the broad ground that the cerebral differences between man and man were not great enough to warrant or excuse the existence of any form of autocracy, and that there could be no tolerable government on this earth that assumed one power not delegated to it by the consent of the governed.

These ideas made for him and his followers work enough in the dawn of the American story. Man is with difficulty divorced from his idols; and Hamilton, the Englishman, was as firm a believer in divine right as ever wore dust upon his knees. He was able, adroit, and plausible, and it was by the narrowest margin that the party of Thomas Jefferson's founding (called then the Democratic-Republican Party) won its first electoral victory in 1800, and turned out the Federalist, John Adams. In the one hundred and ten years that have followed there have been twenty-seven Presidential elections, of which the Democratic Party has won thirteen. No other party in the political history of the world has lasted so long or triumphed so often. Up to and including the year 1856 of the fifteen elections since its

founding, the Democratic Party had won all but three.

Looking back now one can see easily enough that so long as the party was faithful to Jefferson's ideas and inspiration it won cleanly and without an effort; when it began to depart from the Jeffersonian creed it won for a time uncleanly and with great effort; but, as invariably happens in the affairs of men, each unclean victory generated within the party body a fatal poison and this in the end was its undoing. So great was the impetus of Jefferson's teachings that the first five elections after the first triumph fell to it with hardly the lifting of a finger. There was of opposition no more than the name; the old Federalist Party was beaten to bits under that tremendous sledge; the idea of a disguised monarchy died away and with it died the party of monarchical sympathies. Too late men discovered the evils the monarchists had sown in the Constitution; yet these evils might still be mitigated by an administration conducted in the interest of popular government; and so long as Jefferson lived and inspired his successors the party was invincible.

It met with its first — and that but slight — reverse in 1824, when a quadrilateral contest of personal ambitions without a principle or issue

made a choice by the Electoral College impossible and threw the election into the House, which chose John Quincy Adams, an anti-Democrat. In those days there were no party conventions, platforms, nor nominations; caucuses in Congress put forth favorite candidates, but the Electoral College (then of some importance) was not obliged to vote for them. While the Democrats lost the Presidency, they still held Congress, and, at the election of 1828, Andrew Jackson, a Democrat, who had been one of the four contestants of 1824, was returned with overwhelming evidences of popular favor.

For the next twelve years, having first Jackson and then VanBuren in the Presidency and a plurality in Congress, the Democratic Party ruled the country with unquestioned sway. But meantime very great changes, some of them most subtly made, swept over our political system. The introduction of the cotton-gin and of steam machinery, having made cotton the greatest of our products, enormously developed slave-owning, slave-labor, and slave-made wealth. Wealth, as always, spelled Power, and Power, as always, sought Government, that it might make more wealth. Slave-owning was quickly erected into a great, dominant, menacing Interest, able to in-

fluence elections and to make or mar careers, and before that Interest the Democratic Party bowed itself for the sake of success. It had gone, indeed, the inevitable path. Jefferson was dead, Monroe and Madison were dead; the old essential faith in man, on which the party had stood so firmly in its youth, it utterly forgot in its prosperous maturity. Such corruption as always attends a long lease of power began to eat out its heart unperceived. The Interests saw that the control of Government was a broad, if miry, avenue to wealth; the business of politics began: the rich and the fortunate used the party for their greater advantage; exactly as in the case of the Republican history of later years, the very influences that the Democratic Party had been formed to combat became its masters. It had been born of intense opposition to Privilege and to the forces that enslave mankind; and Privilege had cast a spell upon it and bound it hand and foot.

Two events, both so small they were hardly noted, became in the end gigantic forces to complete the ruin. One was the discovery by Andrew Jackson that federal patronage could be used to strengthen party organization, to build a great political machine and to further the President's

will. The other was, to all appearances, of much less moment. A man was dragged through the streets of Boston with a rope around his neck. That was all. He was the editor of an obscure weekly journal called the *Liberator*. It was a very trifling matter; scarcely any one gave to it a thought. But the man in the rope represented the faith and creed of Thomas Jefferson, and the rope that dragged William Lloyd Garrison along was the noose in which the Democratic Party of that day was hanged.

There had always been in America men that protested against negro slavery. Jefferson himself was one; no man of his times had foreseen more clearly the day of wrath to be, nor striven more earnestly to avert the destined sword. But no one heeded very much until the *Liberator* appeared and its hated editor came near to lynching because he had said a few words in favor of human freedom.

Then out of that day's work came other men that took their place by Garrison's side and joined in his protests. More and more these men cried aloud against the slave system. They had but the one thing to say: that human slavery was wrong, that it was absolutely and eternally wrong, that it was utterly and ineffably wrong. Steadily

they said this to the nation's conscience. Among them was one of voice so clear and character so exalted and powers so great that no men not brutalized could hear him unmoved. Day by day Wendell Phillips appealed with amazing eloquence to the moral sense of his countrymen. In spite of themselves, in spite of prejudice and conservatism, they began to listen. From that appeal there was no escape; the hideousness of slavery began to be apparent, and shrewd observers saw that here was the question that would shake the nation.

In those days, as I have said, the Interests were slave-owning Interests. Being thus attacked they followed the familiar policy of attacked Interests and extended their entrenchments within the party in power.

Wealth was on that side and all that goes with wealth; power, distinction, social success, careers, gain, professional eminence, ease, glory, office, place, everything that could allure ambition. On the other side were only ignominy, ridicule, poverty, ostracism, and the chance of being lynched or shot.

Yet on that side was the cause of man for which Jefferson had founded the Democratic Party. Here was the plain issue. Shall man be

free or not free? In Jefferson's breast the fire that burned was all the fire of freedom; the whole of his faith was one great passion to make men free everywhere. No man ever had a broader horizon or a purer desire; he had labored for the freedom of France as earnestly as for the freedom of America; he loved freedom as other men loved women; he clung to freedom and worshiped her and sacrificed before her as other men made sacrifice before their altars. He might have said, as Swinburne said of himself,

Me that when others played or slept
Sat still under thy cross and wept.

He had founded this great party to be in America the instrument of man's freedom. Here then was the crisis. On one side were the Interests with money for campaign expenses and rewards for service done; on the other side were bare freedom and righteousness, with no reward but years of defeat and disgrace. That was the choice, and the party of Jefferson trampled upon his memory to get at the flesh-pots of the Interests.

At first, as always happens in these cases, all went exceedingly well. The earliest explicit surrender to the Interests was contained in the party

platform of 1840, adopted at Baltimore, in which one plank opposed interference with states' rights, and another condemned the efforts of Abolitionists to secure national legislation curbing the slave power. "Interference with states' rights" meant the appearance of some hesitation on the part of Northern courts and Northern officers to return slaves captured in flight; and on this point also the declaration was dictated by the slave-owners. That year the election went against the Democrats, but not because of any popular distaste for their truckling platform. What beat them was merely the period of business depression that followed the great panic of 1837. The Whigs made no other issue, and so far as slavery was concerned, they showed they could crook the hinges of the knee almost as assiduously as their opponents.

Two years later the Democrats regained the House of Representatives and at the next Presidential election, in 1844, they captured the Presidency on a platform that embodied the utmost extreme of the slave-owner's demands. It not only endorsed the platform of previous years, but it also eagerly demanded the annexation of Texas, which was a thing planned only to increase the slave-owning power. Thereupon not even the

great name of Henry Clay could avail against the Interests. Nominated by the Whigs in an attempt to divert the issue to the tariff, he was defeated in the electoral college by one hundred and seventy votes to one hundred and five.

After this notable victory the Interests rioted in the absolute possession of the Democratic Party (which controlled the Government), and each succeeding year saw their increasing arrogance, until no politician, North or South, dared to oppose them. Into the next Democratic platform they wrote some resounding platitudes of good government, but the sense of the instrument was a defiance of any attempt to coerce the slave-power. How feeble was the opposition to the oligarchy is shown by the fact that the Whig platform consisted of nothing but personal laudation of General Taylor, the Whig candidate, and a vague declaration of conservative purpose. General Taylor was the popular hero of the Mexican War; Lewis Cass, the Democratic candidate, had no appeal to the popular imagination, and on personal grounds alone General Taylor won. But the Democrats retained the control of Congress, and at the succeeding Presidential election, when they declared not only for slavery, but also against any agitation of the slave question,

the Interests insured their success and the party held the Government for the next eight years.

But even while the Interests were riding thus triumphantly over the necks of all opposition, controlling the courts, securing decisions in their favor, passing whatever laws they pleased, nominating candidates and construing the Constitution, there were not lacking certain signs that to any careful observer must have looked ominous. The Abolitionist agitation went steadily forward; it was based on conscience; it won daily new converts; and there now appeared in the situation a new party called Free-soilers, with an avowed purpose to prevent the spread of slavery into the territories.

Gradually the protesting voices grew in volume; men no longer feared so much to take sides. At that time Daniel Webster was the idol of the North, and particularly of the large number of doughy persons that, having some vague general convictions of the evil of slavery, were not yet ready to stand for its abolition. Mr. Webster had a burning ambition to be President. For the sake of the slave-owners' support he betrayed the North on a question of vital issue. The time had been when men would have viewed his course as normal and wise; now there arose a

cry of wrath that must have sounded ill in listening ears among the slave-owners — a cry in which there was a new note, fierce and almost savage, and out of which John G. Whittier framed "Ichabod," one of the most tremendous invectives in the English language. Finally, and above aught else, was the fact daily becoming more apparent that the Free States were outgrowing the Slave States and must eventually overshadow them.

But the Interests, heeding no sign, walked their own road whither that led. They dealt out political ruin to any man that opposed them; they mobbed and murdered, they shot and bludgeoned, they scorned and mocked, they clung to their Privileges in despite of every warning, and at last they hanged John Brown.

And then the manhood of the North awoke and down went slavery and with it the party of Jefferson — that had bartered away the ark of the Jeffersonian Covenant.

Much more than overwhelming defeat at the polls comprised the desolating penalty it paid; there was extinguished from its leadership, as if by divine decree, every gleam of intelligence. All this time the Republican Party carried with it the hopes of the people as the champion of popular

government against Privilege. But presently new Interests began to arise; slowly these gained possession of the party in power; the inevitable contest created the need of an intelligently conducted opposition, until at last Samuel J. Tilden stood forth, a leader of skill, honesty, and patriotism.

Chiefly to Mr. Tilden fell the monumental task of bringing the party from so far afield back to the original faith and of providing its management with a modicum of wisdom. But now observe two things, both typical. So soon as the people perceived that there was a party directed in their behalf and against Privilege, they began to rally to its support, as they always do when they make that discovery or can be induced to believe they have made it. And so soon as the new Interests (which were the tariff-protected enterprises and the rapidly growing corporations) saw that a formidable enemy was arising they began to plot against it and its conspicuous commander.

Mr. Tilden prepared for the Democratic National Convention of 1876 a declaration of principles that might have emanated from himself. With the broad demand for a popular government was the waxing Tariff P

Mr. Tilden's triumphant success at the polls. Of the manner in which he was defrauded of his victory and of the deplorable and enduring results of that fraud we have already treated. It should be observed, however, that besides lowering the national standard of virtue, impairing the sanctity of elections, and showing the Interests how they could frustrate majorities, the success of a villainy so gross and a crime against the Republic so huge broke Mr. Tilden's spirit and shortened his life. He alone had stood between the country and the horrors of civil war. His reward had been such a flood of vilification, misrepresentation, and abuse (cunningly engineered by the Interests) as no other man in our history has endured. Justice and wisdom demanded that he should be the party's candidate in 1880, for only so could the country atone for the crime of 1876. But Mr. Tilden had been in a manner driven in upon himself; he was broken in health and very likely in courage; the Interests had so manipulated his party that he could be named only after such a contest as he abhorred, and he declined to be a candidate.

Thereupon folly, led by Tammany Hall, which hated Tilden and all his kind, returned to its throne upon the Democratic mind. Instead of

naming Mr. Hendricks, who was Mr. Tilden's natural successor and represented the issue of the fraud of 1876, the convention named General Hancock, the weakest of all the candidates, and therefore most welcome to the Interests. I suppose the leaders that insisted upon General Hancock knew why they wanted him, but assuredly nobody else had a guess of the matter — except those that could see the puppets dallying. Yet even with an all but impossible candidate, the party would have won on the surviving impetus of the Tilden regeneration if the manufacturers had not bought Indiana and Ohio.

Most instructive is the fact, obtruding from the history of all these years, that while the Democratic Party was throwing away its chances by bargaining with the public enemy, the people were ready to place the Government in Democratic hands if only they had the opportunity. This was shown plainly in the next Congressional election, 1882, when the Democrats overwhelmingly swept the country. All signs pointing to the imminent danger of Democratic success in the Presidential campaign of 1884, the manufacturing Interests early turned their attention to the Democrats, captured certain leaders, wrote the Democratic platform to suit themselves, made for

it a tariff plank that (reversing the uniform party policy) declared for protection, and, having secured themselves against any contingency, let the election take care of itself; and the Democrats won.

One thing the manufacturers had not counted upon. They had secured the Democratic leaders so that no hostile legislation need be feared, but they had not secured the mind of President Cleveland. That strange person now upset all their calculations with his epoch-making tariff message of 1887, in which, ignoring all other matters, he demanded tariff reduction to the basis of rational profits for the Interests. Thereby he decreed his own defeat the following year, for the manufacturers saw to that; but the issue he started was not settled when he was put out of office. It grew upon the country; it slowly possessed the minds of thinking men; it illumined all the acts of a Republican administration that was dominated by Privilege; and it finally swept Mr. Cleveland back into the Presidency in 1892.

And now we come to a very curious phase of this story, and one to this day inexplicable to many observers. Mr. Cleveland had raised the tariff issue and forced it upon his party. Yet he was most desirous that the platform should be ex-

tremely conservative in its tariff utterance, and to that end exerted all his influence in the convention. He had a private wire from his house at Buzzard's Bay to the convention hall in Chicago, and he was continually in touch with his leaders, urging them to frame a tariff plank to his wishes. He must have been dismayed when an uncontrollable convention adopted a plank of the most radical nature and compelled him to stand upon it. Yet this was only one of his inconsistencies. To mention another, he was on record with many fervent and possibly sincere declarations for public and political honesty; and his interests in the convention were in the hands of an unscrupulous politician, who proceeded on the basis of buying what he needed and could not conveniently obtain otherwise.

I do not know that anybody ever understood Grover Cleveland: it is charitable to believe that he did not understand himself. Certainly he must have known that the newly arisen and most dangerous Interests, the Morgan and Sugar Trust and great Banking Interests, were actively battling for him in the campaign. Yet, having been elected on the most emphatic promises of tariff reform, his first act as President was to ignore the tariff issue and summon a special session of Con-

gress to tinker the currency according to the will of the Interests that had supported him, although the currency had not been at any time an issue in the campaign. His inaugural address resounded with eloquence in favor of the people and popular government. Yet very early he betrayed the people into the hands of their enemy by issuing the bonds demanded by a banking syndicate composed of his supporters. I think, in fact, his was the club that inflicted upon the Democratic Party the incurable hurt. He himself had raised the tariff issue. Yet without a protest he saw the long delayed tariff reduction bill mangled by this Interest and that until there remained only shreds and patches. He had declared that a public office is a public trust. Yet he saw members of his own Government betraying their trust into the hands of a gang of mere financial pirates, his own intimate advisers smirched by sooty associations, and through all was inconceivably supine or more than sand blind.

Of all these transactions the bond issues and the shameless jugglery of the nation's finances were the worst. The banking syndicate used the treasury notes to draw out gold and deplete the gold reserve. Then the Government issued bonds to buy gold to restore the reserve. These bonds

were issued to the syndicate at a very low price; the syndicate immediately resold them to the public at a very high price. As soon as the gold was back in the treasury, the same syndicate used the treasury notes to draw it out, more bonds were issued as before, and more profits were reaped by a syndicate most unluckily composed of gentlemen that had ardently and with their pocketbooks supported Mr. Cleveland in the campaign.

That all this was unnecessary and that it could not go on without the connivance of Government was now demonstrated in startling fashion by one clear-sighted private citizen. Mr. Joseph Pulitzer, through his newspapers, taunted the unwilling treasury into making an issue of bonds not allotted to bankers, but open to the public. The treasury officers and administration lackeys declared that this issue would be a failure. In one day Mr. Pulitzer sold for the Government the entire issue at prices far above anything that had been paid for previous issues by the Banking Interests.

At this undeniable proof of a monstrous fraud the country was filled with measureless disgust. Few were so blind as not to recognize the signs of a familiar handiwork. The Interests had controlled a Democratic administration as absolutely

as they had ever controlled a Republican administration. Every indication told of coming popular revolt. A hasty and futile attempt was made to muzzle the next Democratic National Convention. The outraged public feeling was too strong to be checked. With tremendous enthusiasm the convention adopted a program utterly and radically hostile to the banking interests and nominated the candidate that seemed most forcibly to express that hostility.

And then Mr. Hanna, acting for the Interests, went out with limitless resources and bought the election.

Mr. Bryan, unfairly, dishonestly, and fraudulently beaten in 1896, proceeded to beat himself and his party in 1900. He had in 1896 a great fundamental issue based upon the eternal cause of man. He cast it aside for a half-hearted and badly managed attack upon the Philippine monstrosity. Immediately afterward he cast that aside for other issues in rapid succession until thinking men were compelled to doubt his sincerity in any position he seemed for the moment to occupy.

But it made no difference. The downfall of the party, impending since Mr. Cleveland's time, was completed in 1904; thereafter whatever bat-

teries might be applied to its feet, or whatever eager hands might institute artificial respiration, the image did but coldly simulate vitality. The Interests had done their fatal work. They desired to have Judge Parker nominated in 1904; they went out, accordingly, and arranged his nomination. The thing was too palpable: he that failed to see so open a transaction was too dull to be at large without an attendant. The Interests alone wanted Judge Parker, and they got him; they forced him upon the party; they subscribed the money and paid the price and pulled the strings, and got him. They might as well have stood in the market-place and chattered for votes; the delegation at the St. Louis National Convention that was caught in the act of commercial negotiation with the Interests was not abashed or made particularly conspicuous; and the corporations swept to a memorable triumph. Then the poor old corpse wriggled once or twice and all was still.

The Interests won, but they came near not winning, a fact never lightly referred to in Interest circles. Judge Parker is a very honest man; he had no idea of the methods that were used in his behalf; and very likely it was his own honesty and innocence that nearly upset the game.

I relate these things now merely to illustrate the means by which the Interests exercise over both parties an absolute control, and how hopeless in the old alignment is any struggle against such a power. The representatives of the Interests wanted not only the candidate, but also the platform. They got the platform after this fashion: First they prepared a plank fiercely denouncing free silver and the party's previous stand on the currency question. This plank, which was said to be the work of the late David B. Hill, they declared they would insist upon. The Bryan and radical element gave one shriek and went to battle in the sub-committee. A long and furious contest ensued, in which a very eminent radical on one side and Mr. Hill on the other, almost came to blows. At the proper moment the Corporation gentlemen resorted to *jiu jitsu*. In the professed interest of party peace and harmony they offered a compromise. They would withdraw the anti-free silver plank if the other side would meet them half way by withdrawing the radical labor planks. *Jiu jitsu* won, the radicals fell into the trap, the labor planks were withdrawn, and so was the anti-free silver plank — which the Interest gentlemen never had the slightest intention of putting into the platform.

But they wanted to get the party "right" on the currency question because that would suit the corporations and insure financial peace whichever party might win on the election. Judge Parker, after he had been nominated, sent a telegram to the convention declaring for the gold standard. Judge Parker is a very honest man. There was circulated and generally believed at St. Louis a story that he had been induced by Mr. Hill and others to send the telegram and that Mr. Hill desired it as a means to outwit and defeat his enemies of the free silver wing. Judge Parker has assured me that this story is absolutely untrue and that he sent the telegram entirely upon his own initiative. The convention had adjourned until evening. The afternoon newspapers printed what purported to be a copy of Judge Parker's telegram. The terms of it maddened every radical and hundreds of other men that had been coerced or cajoled into voting for Parker. Something like a riot broke out. Delegates tore the Parker buttons from their coats, and Parker pictures from the walls. They shouted and swore with rage, they declared they had been tricked, and they resolved to take vengeance by rescinding the nomination of Judge Parker and selecting some one else.

At eight o'clock the convention reassembled amid these storm-clouds. They cleared away when there was read to the convention what was declared to be Judge Parker's telegram. It was mild, innocuous, and pacific, differing much from the alleged copy that had been printed in the afternoon. I have a letter from Judge Parker in which he informs me that the telegram as read in the convention was word for word his telegram as he sent it. This should put an end to all controversy on this point, but it is the more to be regretted that the managers of the convention should have given ground for a story widely circulated and long believed that a doctored telegram had been read to the convention. To show that such a story did not seem unreasonable I may add that I secured possession of the telegram that was read to the convention and showed it to the oldest and most experienced operators of the Postal and Western Union Companies. They said it might have been transmitted through the air or by telepathy, but it had not been sent over a telegraph wire. In the light of Judge Parker's letter this can only mean that the managers had prepared for the convention a copy of the telegram which for some reason of their own they

palmed off as the original instead of admitting it to be a copy.

There sat in that convention as delegates and as the alert champions and managers in behalf of the Interests men that were perfectly well known to be the regularly salaried agents and lackeys of the Standard Oil Company, the Sugar Trust, the electric light and traction rings, and almost every great predatory combination in the United States. Practically every leading railroad company had representatives selected from its staff of hired attorneys, lobbyists, bribers, procurers, and legislative harlots. Judge Parker would have been shocked and disgusted if he had known the employment of some of the men that labored in his behalf. But everybody on the spot knew what was going on and what the end would be. The Interests had won at last the full measure of their triumph; they were in absolute control. The insurance and some other corporations, to be sure, deemed wisdom to indicate large subscriptions to the Republican campaign fund; but these were in no way necessary. Judge Parker was hopelessly beaten at the polls as soon as he was nominated at the convention; a party that had become the notorious chattel of the railroads and the trusts was too far gone to bother with, and the monu-

mental drubbing it received from the electors was superfluous insult to the dead.

From the disaster of 1904 the disaster of 1908 was only the inevitable reflex. The trouble was not with the candidate, although with much labor some of us have tried to further that assumption. Any other candidate would have fared as Mr. Bryan fared. Aside from a certain devoted following that would always adhere to him under all conditions, the great mass of the people (who are beginning now to understand clearly the true nature of the impending struggle against Privilege), never warmed to his cause. Much more was required than his word or than any man's word or than any man's personality to blot out the past and make men believe that the party hopelessly rotted by the corporations in 1904 had been made pure by 1908.

There was, in fact, no possible reason why they should believe that putrefaction had been transformed into sweet flesh. Nothing in the interminable, rambling, hazy, mazy, doddering and platitudinous utterances of the foolish platform would give that impression to any human being. Nothing in the speeches of the chief candidate nor in the appeals of the party organs indicated the slightest comprehension of the real struggle now

upon this people. It was no time to be dealing in ancient fustian. The situation was very plain: the great corporations had seized the Government, controlled legislation, violated the laws, nullified prosecution, largely controlled the press, and there was too much reason to think had at least begun to corrupt the courts. To this acute crisis, not less serious than the situation once created by negro slavery, Mr. Bryan and the Democratic Party proposed in copy-book axioms to apply some vague remedy of good will or honest purpose. Four years earlier this same Democratic Party had been notoriously the tool of these public enemies, and Mr. Bryan had then supported it. Such credulity as would believe that in four years he and it had undergone any miraculous conversion would accept Mother Goose for scientific research.

Particularly because the fact was made quite clear that the predatory corporations still continued to maintain their interest in the party, that the line of their influence extended to the party's treasury, and that some of Mr. Bryan's associates had by no means escaped these compromising attentions.

Not being fools, the American people saw through all this. They were presented with the

choice between two parties, each held absolutely by the corporation Interests. Without enthusiasm, but with eminent good sense, they chose the party that was the most presentable and emitted the least odor. When it comes to choosing between the Cannons and the Aldriches on one side and on the other the men that make a loud and unsubstantial pretense of serving the popular cause, the people will always be likely to choose the Cannons and the Aldriches.

Thus the Republican Party renewed its lease upon the government functions and the Interests were for the time being secure. In their hour of triumph they outstepped discretion, made up a cabinet of their representatives, seized the water powers of the public domain, dictated the tariff bill, openly planned to grab Alaska and advertised to the world that they were supreme. Therefore in the Congress election of 1910 the people wearily and perfunctorily turned out a Republican majority of the House and, seeing nothing else to do, turned in a Democratic.

That they will continue to turn from one to the other of two parties each equally owned by the Interests is inconceivable. Let us suppose the election of 1910 to foreshadow a Democratic victory in 1912. Within fourteen months thereafter

the real ownership of the Democratic Party will be plainly revealed to be these same Interests upon which the people have declared war. Is it not clear then, that we shall see at that time in politics some convulsions the like of which have not been witnessed for more than a generation?

CHAPTER III

LESSONS FROM A PARALLEL IN POLITICAL HISTORY

If you think you would be interested in a comprehensive and illuminating survey of the political situation in this country to-day take down your histories and turn back to the situation in 1852, for the one does but reproduce the other.

Among the perennial curiosities of what we are pleased to call the human intellect is the idea that in some method of genteel and ladylike compromise a nation can deal with a great, burning, primal, fundamental issue of human right and human life.

This fantastic belief bogged eminent statesmanship in the year of grace 1852, exactly as it obsesses similarly mighty minds in 1911.

In 1852, as we have observed in the previously cited records, the issue that men desired to avoid by means of gelatinous legislation and cuttle-fish devices was the slavery issue.

Anything but that, said the wise men, as they ducked, dodged, side-stepped, twisted, twirled,

and wriggled; anything in the world rather than a frank admission of facts as they were, issues as conditions framed them, and frank declarations for the side of Mammon or the side of man.

So the great Democratic Party and the great Whig Party, preparing to elect a President in 1852, made haste first to truckle each to the Interests, that its own financial salvation might be secure, and then to befog the situation with enough other matters that the eyes of the public might be turned away from the irrepressible conflict.

Now there was every reason why men capable of reason and reflection should do nothing of this kind.

In the first place it was perfectly evident that the conflict could not long be averted; that the two opposing forces of freedom and slavery were like two express trains launched at each other from opposite ends of a single track, that however much men might pretend to discuss the tariff or currency or territorial extension the only thing they thought about was slavery.

It was high time that they thought about it, because under the supreme domination of the slave-owning Interests the essentials of a republic had disappeared.

The Slave Power, as we have already seen, had seized the Government and every branch thereof, and with that tremendous engine had established a form of tyranny intolerable in any country dedicated to free institutions.

Before this power the right of free speech had practically been abolished and the contention was freely made and even judicially sustained that there was no such right if the exercise of it interfered in any way with the sanctity of existing conditions. As for justice, those few that in the face of this essential despotism continued to protest had ceased to expect any measure of justice or of legal protection. They knew that any case was likely to be decided not on its merits but according to its relations to the slave-owning Interests, just as they knew that no man could be elected to office or win any advancement or be respectable in society unless he did obeisance to the same power.

In furtherance of the pleasant game of evading an issue about these actual conditions, the preceding Congress had made large and historic experiment with the school of political therapeutics that consists in dosing the symptoms.

That is to say, in 1852 the generality of public men were like the generality of public men

in 1911, and being wholly unwilling to read the signs of the times thought they could provide nicely for the slavery question by regulating slavery, or restricting it, or telling it to be good, or gently reproofing its excesses while upholding its fundamental principles. To this end Congress had passed a series of laws long famous as the Compromise Measures of 1850, and closely analogous to the Railroad Rate and Meat Inspection Bills of our own experience. The Compromise Measures thoughtfully provided a nice sop for each side. There was a nice Fugitive-Slave Law for the South and a nice Territorial Restriction Law for the North, and what more could any one ask? All statesmen were agreed that with such wholly admirable legislation the slavery issue ought to be settled to everybody's satisfaction; whereupon Society, frowning again upon the Abolitionists, sternly bade them to be still.

Meanwhile the national campaign came on and the two parties entered upon a contest to see which could crawl the farthest and bow the lowest before the Slave Power.

The Whigs said in their platform (Plank Eight) :

The series of acts of the Thirty-first Congress, known as the Compromise Measures of 1850 — the act known

as the Fugitive-Slave Law, included — are received and acquiesced in by the Whig party of the United States as a settlement in principle and substance, of the dangerous and exciting questions which they embrace . . . and we deprecate all further agitation of the questions thus settled, as dangerous to our peace and will discountenance all efforts to continue or renew such agitation, whenever, wherever, and however the attempt may be made.

The Democrats said in their platform:

All efforts of the Abolitionists and others, made to induce Congress to interfere with questions of slavery, or take incipient steps in relation thereto, are calculated to lead to the most alarming and dangerous consequences . . . and ought not to be countenanced . . . The Democratic party will resist all attempts at renewing the agitation of the slavery question, under whatever shape or color the attempt may be made.

You might think the force of sycophancy could go no further. The remainder of each platform was taken up with discussions of matters deemed proper to be discussed by the populace: the tariff, fisheries, the boundaries of Herzegovina, very likely, and the color of the great Cham's beard.

On these questions of vivid interest the issue was joined betwixt Tweedledum and Tweedledee. About other things it was thought wise that there should be no discussion.

It was a great popular favorite that the Whigs

mounted upon their invertebrate platform: General Winfield Scott, conqueror of Mexico, no less. Against him the Democrats named Franklin Pierce of New Hampshire, whom nobody except the Interests wanted and next to nobody knew. The Interests knew why they wanted him. They always know that.

Being thus confronted with a choice between two agencies both possessed by the Interests, the people did as in such conditions they can always be trusted to do: they chose the agency that presented the fairest appearance and emitted the least odor of putrefaction. The Whigs were smitten hip and thigh; the popular favorite carried only four States, Massachusetts, Vermont, Kentucky, and Tennessee; and in the electoral college, of the 296 votes, Pierce had 254 to Scott's forty-two.

The rout was as complete as the rout of the Democrats in 1908. But kindly take note that in 1852, also, there were two kinds of Whigs — Conscience Whigs, who believed in their hearts that slavery was wrong and must in some way be extirpated, and Cotton Whigs, who supported and defended slavery because they made money out of it.

When the Conscience Whigs were in control

of the party the Cotton Whigs bolted it, and when the Cotton Whigs were in control the Conscience Whigs bolted it. Is not that an astounding parallel? In truth the party was dead. Most frantic efforts were made to devise a basis of compromise between the factions so as to produce "harmony and united action." It would have been just as easily possible to compromise day and night; to-day it would be just as easy to compromise Insurgents and Standpatters, or Radical Democrats and Insurgent Democrats. A party is either one thing or the other: it either serves the Interests or it fights them.

And yet, all this time and every hour of it, the very men that tried to think they were interested in this, that, or the other alien topic propounded by their parties, knew perfectly well that all these were but withered funeral leaves upon a forgotten tomb, and always they could see rising and rising the awful front of the one conflict before which the country should be separated into new factions.

No doubt most men knew this because most men habitually know in their hearts matters they hesitate to confess with their lips; they knew it while they shouted and sang and marched and cheered for the alien topics about which no one

ever gave a thought, and they knew it no less when with joyous fervor they celebrated the emptiest of victories. So long as they could so be, they were of a mind to escape or to postpone the edge of that conflict; and yet each of them having the least power to think knew the time was at hand when there should be no more evading, no more pretending, no more distorting; that the men that believed in human liberty must go forth and grapple with the men that believed in human slavery until this thing should be settled.

Of all this the newspapers and speeches and letters of the time have that kind of interlinear testimony that is most convincing because it is most involuntary. Men were ready to subscribe to a platform of remote and intangible dogma and to support with ostentatious fervor a candidate that meant nothing except his own success: their faith on the slavery question they kept for their closets or flaming hot in their hearts — until the moment came that brushed aside all the superficialities and other matters and left this one thing burning clear.

Abundant evidence exists that the campaign of 1852 sounded in attentive ears a note almost as hollow and perfunctory as the campaign of 1908 or the campaign of 1910 sounded to us. Ob-

servers generally thought it was a strangely dull contest; no one seemed to care. Personal popularity failed to breathe life into dead issues. To superficial thinkers the old-time Democratic Party never seemed so strong and lusty as after the great victory of 1852, and nothing was clearer than that into its hands forever had been entrusted the affairs of the nation. And yet all the time the organization that to men's eyes sat thus alert and holding the scepter was but dead within. Parties die first at the heart; after that theirs are but simulated motions, albeit made in the very manner of life. While the hymnals of victory were still resounding the force was rising that was destined to hurl the victors from power, and the vote by which Franklin Pierce was elected President was of no real significance compared with the despised handful of conscience votes cast for John P. Hale, Free-soiler; for these presaged the marching of the Republican hosts that were to trample all the dead issues in the mire.

Nothing in the present political situation in this country was lacking in 1852.

What the issue of Privilege is to existing conditions the issue of slavery was to the conditions of 1852 and impartial examination of the story of 1852 reveals the usual number of adult persons try-

ing to extinguish a conflagration by sprinkling it with smelling-salts.

Hence, mild, unctuous measures like the Compromise Acts and the Kansas-Nebraska Bill; and hence an incredible superfluity of speeches in which windy gentlemen deplored an extreme view on either side, and tried to show how fire and water were akin and black and white of one color.

This was grand work, and with it one generation busied itself. To read now the utterances of that day gives one valuable instruction in the human capacity for self-deception and also in the lack of human invention, since what men said then about reconciling the irreconcilable they parrot now with no less assiduity, in spite of all the lessons of the years. Indeed, Mr. Facing-both-ways has ever a huge progeny, but glory be, evolution cares naught for them all. To the judicially observant these things were but mirth. While with sage words and brows severe a hundred thousand leaders of public opinion and molders of public thought reproved the Abolitionists, and showed how well a free North and a slaveholding South could agree, hour by hour the conflict deepened and day and night men might have heard the forging of the guns of Appomattox.

Truth it is that man shows but little variety

in his methods and the eternal struggle for freedom wears over much well-trodden ground. In 1852, as in 1908, the people saw the Interests in control not merely of their government, their press, and their institutions of learning, but also, to a great extent, of their courts and of the administration of justice. An examination of the Federal judges on the bench in 1852 shows that very few of them owed their appointment to any influence but that of the Slave Power. This was, of course, inevitable; the possession of the courts was of enormous importance to the slave-owners. Through the courts they obtained their escaped slaves and also construing (most important to them) concerning the nature of their ownership in human flesh and blood. About such matters they could afford to take no chances. Occasionally, a man of a different temper (analogous to Justice Harlan now) slipped in or was surviving; as in the case of Justice Curtis, from Massachusetts, whose brave and magnificent dissent from the Dred Scott Decision remains one of the greatest of extant utterances in the cause of human freedom. But such men were few and spoke at their peril; the majority of judges were carefully selected for their established leanings to the side that was then safe and conservative. Similarly,

in the last twenty years in this country we have had few judicial appointments inimical to the Interests, and it does not appear from the records that even the alert and powerful Slave Power watched the judiciary of its own day with a greater care.

The population of the United States then was thirty million. In all the land the number of persons that owned slaves was 348,214. It was for the profit of this number that the country was torn with dissension and eventually plunged into civil war. No other fact in history seems so stupendous.

Then, as now, the Interests stretched forth their might and were felt in every legislature, in every municipal council, in every political convention. Then, as now, the whole weight of society and wealth, conservatism and respectability, education and order, was on their side. Then, as now, all reactionary sentiment of whatsoever origin gave them sympathy. Then, as now, the whole commercial world decried any agitation and denounced the agitators. Then, as now, the voice of protest was practically stifled and a million smug gentlemen incessantly proclaimed that everything was all right, the world was swiftly growing better, and all assailants of the existing order

were low, wretched creatures and unworthy of belief.

And all the time the true forces that were re-making the nation were at work like hidden streams under the hills.

In that day, too, the shallow observer said that the American people did not care, and the foreign visitor sneered and jeered at us as dead to the faith. Men showed us that our courts were corrupted, and we said nothing; that our press was rotten, and we said nothing; that our elections were controlled by the Interests; that the Interests nominated our candidates and dictated our policies and shaped our legislation; that they bought legislators just as they bought pig iron; that they bribed periodicals with great subscriptions and colleges with great donations; that they owned both of the great parties; that, when with the help of one party they had seated a man to their liking, they used the other party to keep him in his place; that the pretended contests between the two parties were no more than dramatic entertainments arranged by the Interests for public diversion; that there was not one election that had the slightest bearing upon any issue then vital to the people of the country; that the people had no voice in their affairs, that they were ruled by

a huge oligarchy exploiting them for its profit and laughing at their great simplicity.

Many a time we were told all these things and we said nothing, so all these shallow observers were convinced that we did not care and that, in historic words, the great Republic was no more.

But not one phase of the dominance of the slave-holding Interests had escaped the observant minds of the people nor one iota of its terrible significance. With characteristic patience they bore all until it was perfectly clear to them that the Interests really threatened the heart of the republic. Then they arose and at any cost to themselves they beat the Interests to pieces.

If any one now supposes that the essential temperament of these people has radically changed in sixty years such a one knows very little about them.

Exact parallels to the men and the measures of 1852 can be found to-day, for the situation most strangely repeats itself; parallels to the Dred Scott Decision, the Missouri Compromise and the repeal thereof, to the situation concerning press and pulpit, and other matters; but the most interesting resemblance lies in the use then and now of the nostrum of regulation upon the symptoms of a huge national disorder.

This is, indeed, a pathetic and moving sight and well worth a more detailed examination. The national disorder is the power and privilege of wealth and of the great corporations. Every day this power becomes more apparent and more menacing; every day the consolidation of Interests, themselves the product of many previous consolidations, adds strength to some group of men that even before had been wont to elect congressmen, choose judges, and control conventions, a group that had been wont to direct public opinion by the efficient means of owning or controlling the public press, or to exchange campaign subscriptions for legislation profitable to itself.

To this great and steadily augmenting development the practitioners of the dosing school respond after the manner of Sir Nigel Loring. With their silk handkerchiefs they flip the monster on the snout and call it naughty thing. But meanwhile the monster grows apace, dominates more courts, absorbs more periodicals, purchases more legislators, controls more newspapers, and he with the flipping handkerchief shines as but a figure of comedy.

Yet even the handkerchief exploit is not so ludicrous as the medicaments of the gentlemen that seem to think they can dissolve the Trusts

and bring back the days of competition — a species of wisdom comparable only with solving the railroad problem by bringing back the stage-coach or conserving the coal supply by abolishing the steamship. How valuable is this device may be exactly gauged by any one with enough imagination to perceive what would follow if all the Trusts were dissolved into their constituent parts, when, of course and inevitably, these separated parts would merely be reunited into another form of Trust.

Explicit confession to this effect is found in the fact that after twenty years of the blessed Sherman Act expressly prohibitive of all these combinations, and after the law has been upheld by the Supreme Court and endorsed by zealous administrators, the foremost leaders of the school of economic dosers are willing to admit that the law had better be repealed.

Indeed it had, and with it all other laws that administer the potion carminative, including the statutes providing fines for the rampant monster whenever he gets out of the highway and eats of the forbidden fruit of rebates and the like. If doubt be entertained of this, we shall do well to inquire for a moment as to who pays these fines.

Take, for instance, the fines recently levied with

much éclat upon the erring railroad companies; take such a fine as that extorted last year from one of the most reputable of the Western railroads, sixteen thousand dollars duly levied, adjudicated, and paid. Who paid it? The president of the company? He certainly did not, nor the vice-president, nor the directors, nor the general superintendent, nor the traffic manager. It was paid from the treasury of the company. Ostensibly, then, it came from the possessions of the company's stockholders, not one of whom had ever once heard of the offense for which the fine was levied.

This would be sufficiently unjust and absurd if the harmful farce stopped there; but it runs, in fact, much farther. Of course the stockholders did not really lose by reason of the fine; not one dividend was thereby diminished to any stockholder. What actually happened is that the management of the railroad made up the loss by curtailing some service or increasing some charge.

Then who really paid that fine? The people of the United States in whose behalf it was supposed to be levied. That is to say, the public suffered by the original offense and then suffered the whole legal penalty therefor.

How true this really is you can see more clearly from another example. The State of Missouri has its own Anti-Trust Law, most excellent and severe, in all respects as sweeping and radical as the famous prescription of Dr. Sherman. In 1903 proceedings were begun in Missouri to punish the Beef Trust, which had persistently violated this law. Convictions under the statute were readily had in the lower court; the Beef Trust appealed; the State Supreme Court heard arguments, and in a famous decision upheld the conviction. Fines of ten thousand dollars each were levied upon the firms composing the Beef Trust, which was thereby felt to have received the lesson of its life. It was ten o'clock in the morning when the decision was handed down, and on the spot the culprit firms paid the penalty of their misdeeds. By eleven o'clock the Trust had advanced the price of beef, and by nightfall it had recovered the full amount of the fine, which it continued to recover every day thereafter for many months. So that the only result of the application of the grand Anti-Trust statute of the State of Missouri was to punish the people whose laws had been transgressed and to leave the Trust not only in sole and absolute possession of the public meat supply exactly as before but also in

possession of a still larger sum of the people's money.

This is, of course, a universal principle, so that the practise of fining corporations is the sheerest bosh in the world and amounts to nothing but fining ourselves. Of the owners and managers of these corporations, the men that direct the law-breaking, not one ever suffers even the slightest inconvenience for his misconduct; the law means nothing to him. We, for whose ostensible protection the law was made, and we whose pockets suffer because of the breaking of the law, we furnish every cent of every fine levied for the law-breaking. Except for one fact this would be the grandest national jest of all the ages; and the one fact is that, because of the unequal distribution of burdens between the rich and the poor, the poor pay proportionately very much more of the fine than do the rich.

If, for example, that triumph of governmental jocularity, the twenty-nine million dollars' fine that Judge Landis imposed upon the Standard Oil Company, should ever be collected (do not start, dear friends; it never will be), does any one imagine Mr. Rockefeller would pay it, or one cent of it, or Mr. Archbold or Mr. Flagler? Most assuredly the only result would be an in-

crease in the price of oil; so that the fine would be paid by the public and would fall most grievously upon those least able to bear it.

In view of these facts could anything be more pathetic and futile than the attitude of Mr. Roosevelt when he insisted upon trying to enforce this fine that the Standard Oil Company might be punished for violating the law, since it is perfectly evident that the only persons that can thereby be punished are the people at large?

Also could any conceivable conditions more perfectly than these reproduce the situation in this country prior to 1856? We have wandered a little from this phase of the subject. Let us return to it, for herein lies the plain indication of what is to happen next.

Here, then, is Dr. Sherman's celebrated Anti-Trust Specific as the analogue of the Missouri Compromise. The Republican Insurgents are exactly in the position of those that thought the slave-owning Interests were to be restrained by lectures, reproofs, messages, and regulation; here are the courts siding with the influences in power, the corporations carrying all before them, evidences of their vast corrupting methods steadily multiplying, all the recognized and so-called leaders of the people hesitating and timid, the masses

thinking far beyond the leaders, far beyond merely restrictive legislation, and beginning to perceive the new conflict large upon the horizon.

And what of the conflict? It will be waged upon this simple question, whether in this country organized wealth is to be the sole and absolute governing power; whether the new oligarchy of Interests is to do now what the old oligarchy of Interests failed to do after 1856.

Any man that believes the final issue of such a conflict to be doubtful, or any man that believes the exact nature of it is not generally foreseen and understood, must have mislaid his American history.

These people understand well enough what is going on. They know that the absolute and immaculate purity of justice is the first requisite of civilized government. Not one of them supposes that the courts of Pennsylvania are the only courts to which the Standard Oil Company has had its judges appointed. No one supposes the senators and congressmen that have been revealed as on the pay-roll of the Standard Oil Company to be the only senators and congressmen in that employ. No one supposes the periodicals that have been disclosed as owned or subsidized by the Standard Oil Company to comprise the list of

the Standard Oil Company's owned or subsidized press. No one supposes that the news-controlling energies of the Standard Oil Company stopped with the effort to command one channel of information. No one supposes the clergymen and educational institutions made known as recipients of the Standard Oil Company's pensions to be the only clergymen and educational institutions so favored.

Finally, no one supposes the Standard Oil Company to be the only corporation that has made these uses of its funds; nor that all of these revelations, great and small, are anything more than the surface indications and fevers of the national disorder that has accompanied the swift accumulation of vast wealth in the hands of a few; nor that these operations can go on if we are to preserve the Republic.

The whole thing is utterly impossible; it is as certain to produce a revolt as day is to dawn. Wealth is only another name for power, which is the true end men seek when they strive for wealth; and the power that a measure of wealth confers is used to gather more wealth, which in turn becomes more power for more wealth; and when all this aggregation of wealth, this monstrous inscrutable, indomitable, and imperial power, is

concentrated in the hands of a few able men, no government on earth can withstand it and no people live that it can not enslave.

These things result from purely natural and inevitable causes that have no possible connection with the character of the men that possess and exercise the power. A blunder to which we are prone is to think that we are safe from danger to the Republic so long as these men are good men. Whether they be good or bad is utterly immaterial. With every form and function of a republic ostensibly intact Rome was overthrown by its most esteemed citizens. As a matter of fact this country is at all times in far greater danger from its good men than from its bad. The men that control the Standard Oil Company and the men that buy legislators, debauch the courts, and mutilate court records are not conscious of evil conduct. According to their sincere convictions they are honest men, patriotic Americans, admirable sons of the Republic, useful citizens, and public benefactors. If they are compelled to resort to methods of secrecy or to things irregular and questionable, invariably they are coerced into such procedure because bad men are opposing them, or trying to thwart them, or attacking the prosperity of the country. Otherwise not for the

world would they deviate from one straight path. They must own senators and representatives, to prevent injurious legislation by the evil-minded; they must own judges, to check injurious and baseless litigation; they must mutilate court records, to forestall much evil; they must on the witness-stand conveniently forget everything of importance, lest the detestable disturbers of public order gain an advantage. But never do they one such act that in their judgment is blameworthy, nor one not redounding to the greater glory of the United States of America, free and indivisible, now and forever.

Yet all the time the things these good men do are breaking down the moral standards, corrupting justice, turning legislative halls into auction marts, and bringing us to a day when no man can say whether any decision of any court represents justice, immutable and immaculate, or represents the wishes of the Standard Oil Company.

So was it when Rome was sliding down the roof; so was it when the slave-owning Interests dominated this country. Every slave-owning Interest that put a hired man on the bench, or sent a hired man to Congress, or bribed a senator, or commissioned a hired man to buy votes, or dominated or perverted the courts, acted solely for the

advantage of the country and the greater glory of God. The negro was divinely ordained to be a slave; he was infinitely better off as a slave than as a freeman; the slave-owners were the black man's best friends; they were doing him good; they were the instruments of Providence for his care and shelter. If evil-minded Abolitionists compelled the slave-owning Interests to resort to unpleasant methods, the fault was with the evil-minded Abolitionists; the will of Providence must be carried out. Everything would be lovely if these pestilent agitators would only keep still. Slave-owning Interests did not prefer to purchase judges, bribe legislators, send certified checks to senators, shoot malcontents, or instigate riots; but if the wretched Abolitionists would insist upon interfering with the ways of Providence the slave-owners would always be found faithful and resolute defenders of the Divine Will.

These were the men into whose hands Providence in its infinite wisdom had committed the Property Interests of the country at that time, and not Mr. Baer himself more perfectly represents than they represented the principle of the divine right of the stronger. Read over the literature of the period and see. You may be astonished to find that with the substitution of a

few terms all that is said now in behalf of the dominance of wealth was said then in behalf of the institution of slavery; Chancellor Day has his just and perfect prototype; the Aldriches and Lodges, the Lyman Abbotts and the smug Carnegies have their originals; the downfall of Foraker bears a curious resemblance to the fate that overtook Webster, and in the ostracism of Senator La Follette one can see the same kind of hatred that struck at Charles Sumner.

The daily press, the pulpit, the periodicals, the voice of society, the organs of respectability, timid and halfway reformers, Professional Good Men, calculating optimists, scheming college managers, "better class" advocates, Brahmins, *bourgeois* aristocrats, corporation jackals, and the rest are no more nearly unanimous on the side of established conditions than were the same elements in 1852. The Republican bell-wethers are no more confident as they joyfully assume to lead their flocks than were the Democratic bell-wethers in 1852. The rise of the corporation issue seems no further off now than the rise of the slavery issue seemed in 1852. Then the agitators seemed silenced, as they seem silenced now; the Interests triumphant, the people acquiescent, the permanence of everything amply assured.

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And underneath always the moral sense of the people goes on working, working; and unseen evolution goes on mining, mining; and presently the moldering citadels collapse and the new issues rise.

You should not overlook one fact, good prophet of the established order, when you estimate the coming day. Fundamentally these are a moral people, and the moral principle in them will triumph in every crisis.

Then can there be the slightest doubt as to what is going to happen?

The men in control of a railroad meet and ballot for a United States senator, their choice when made to be ratified by the State legislature. A conspicuous member of an offensive Trust decides that he would like to go to the Senate, and buys the required votes as openly and frankly as he would buy potatoes. Gentlemen prominent in the opposition are found to be the hired men of the railroad companies. A candidate for high office deems it advisable to make his peace with financial Interests and bargain about judges. When a railroad magnate is pleased with the incumbent of an elective office he dictates the nomination of an opponent certain to be defeated. Senators that have been revealed as recipients of

Standard Oil bounty continue to retain their seats and perform (more or less) the duties of their office. Judges that have been revealed as creatures of a great corporation continue to dispense justice. Great insurance companies that have been found to be engines of monstrous gain and loot continue with practically the same methods under practically the same management. Railroad companies convicted of granting rebates in one way proceed to grant them in another. Traction wreckers having looted the transportation system of one city move on to loot the transportation system in another. The great and manifold burdens laid upon the public by stock-watering having been made clear, the railroads continue to increase the burden by more water. Every evil condition is rock-ribbed and fast-rooted and the people heed not.

It was so in 1852, it was not so after 1860. It was so in 1908; it will not be so in the time that is close at hand.

“Nothing was settled in the election of 1908,” said Woodrow Wilson, “but the name of the next President.”

Right! But something else will be settled in an election of not far off. Without the volition of any man, without design or intention, evolu-

tion and the progress of events will force the issue. Before the next national campaign the Power will have become too great, the Wealth too menacing, the results too apparent, the failure of the pills and plasters too evident. Then out of the assailed moral sense of the country there will come a movement that will be political, ethical and economic. It will deal with these intolerable evils not by flipping them with lace handkerchiefs nor by telling them to be good, but by ending the conditions that give rise to and maintain them. There will be the beginning then of such a straight, clean, definite contest between the people and the Interests as began in 1856, and something else will be determined by the succeeding elections than the names of the Presidents.

CHAPTER IV

THE FIRST GREAT BUSINESS GOVERNMENT IN THE WORLD

SINCE it is apparent from the foregoing facts that we are soon to have a realignment of political forces in this country we should derive profit from an attempt to see how much we are likely to gain thereby, if the steadily growing antagonism to the present-day Interests goes no farther than a movement to curb them or regulate them or clog their operations.

The people against the Interests: that is admitted and even declared to be the ground of the new division of parties.

No doubt this is in all its bearings the only real issue now before the electorate. Other questions, whether of the tariff or of administration or of policy, are, by comparison, merely trivial. This alone is vital because upon this depends the question whether we are to have any nation to save.

So far we have looked at the problem involved here from the point of view of politics and

political action. If you will pardon me for saying so that is the superficial and obvious point of view. I want to get at something else, because as soon as you look under the merely political aspect of these things you see something of so much greater importance that it dwarfs all other considerations. So far we have been following to its limit the idea that what we need is a new form of partisan activity and a new political cleavage. That, in fact, is less than half the story. We ought now to take a look at the rest.

The foundation of the spreading political revolt is that the Interests are the enemies of the people, and of the Republic. Suppose we try to see how far that is the fact and at the same time consider where the Interests come from and how far any attempt to curb them will have the least measure of success. Suppose we have an overture to the subject in the shape of an illustration.

Here, then, is an incident the like of which, with some variations, happens daily in New York City, and on some days happens many times. The dweller in the metropolis heeds it not and looks with wonder upon such visitors as hold it worth the noting; from his youth up the native has gone to and fro among such scenes. Yet

with no discredit he might every day ponder upon it, for like other things that we, seeing, see not, it is typical, and, under the surface, expressive of conditions — in this instance of a condition that must have puzzled us all.

One night last fall an old rattletrap building near Fifth Avenue took fire. A half-gale was blowing out of the northwest, the structure was mere tinder and had tinder for its neighbors; close at hand were stores filled with valuable goods; the nearest fire station was a quarter of a mile away; for some reason the fire had been tardily discovered and now roared up, a furnace of flames. In a space of time marvelously brief the engines came tearing up the street. It was to be noted that upon the very instant of their arrival the firemen leaped unerringly upon their work; without command each knew exactly what he must do; not a fraction of a second was lost from indecision, lack of knowledge or lack of skill. The engines began to cough, the streams of water to gush forth. In five minutes more the crowd was melting away; there was nothing to be seen but a thin curl of ascending smoke, the firemen coming leisurely down the ladders from the conquered enemy, and one engine dully pulsating.

Except in rare instances, and under conditions

peculiarly adverse, this is the normal record of a fire in New York.

The fire department is a success here, as in most American cities; for years it has had a brilliant history. It is honest, skilful, efficient and most ably generalled.

Other departments of the city government are, by way of contrast, in varying degrees dishonest, bungling, inefficient and unably generalled.

Here, then, is the question. Why should we give to the world this one conspicuous example of municipal efficiency and so many other examples of municipal failure?

To this, a query that has often assailed sociologists and other observers of current conditions, many answers have been proposed, chiefly according to the prejudices of the proponents. As thus:

The fire department is good because it is free from politics; because its officers are not elected; because it is not one of the perquisites of Tammany Hall; because it is not subject to sudden changes of management; because it is or is not under the inspiration of civil service reform; and because it has always, by some miracle, fallen into the hands of very good men, whereas other departments, except when our party happens to win

at the polls, are always controlled by very bad men.

None of these explanations ever served to explain anything. Other departments have had at different times all of the blessings here enumerated and not one of them has thereby been vivified into either efficiency or righteousness. We have, for instance, eliminated politics from the police department, and had for the time being one of the worst police administrations in our history; we have provided for it officers that are not elected; we have preserved it from sudden changes; we have irradiated its darkest recesses with the holy light of reform; and the only possible discussion about it has concerned the degree of its badness.

Yet, in all these years the fire department, quite free from the attention of reformers, students and gentlemen with schemes of betterment, has kept the one course, doing its work with skill, honesty and thoroughness.

Lately, the real reason for this strange fact has begun to dawn upon us, and with it some light about other matters of government of still greater importance.

It has always been a habit of ours to seek in

individual men the explanation of our fortune, whether good or bad.

Thus, the reason why government by Tammany Hall is bad is because Tammany Hall is, according to the accepted formula, controlled by bad men; as, contrariwise, if ever things seem to be going well in Washington or Albany, it must be because we have elected good men.

This pleasing practise we are apt to carry to extreme lengths when we come to other than government matters. Whenever public attention is called to the fact that some man has been pursuing the custom of his trade or calling and has fallen into trouble thereby, we always denounce the man. The whole trouble, in our eyes, is with that man; if he had been the right kind of man this thing would never have happened. About four years ago the late E. H. Harriman was discovered to have taken the Alton Railroad, loaded it down with unnecessary securities and disposed of these for his own profit and the profit of men associated with him in the deal. The echoes of the violent outcry raised over this performance still resound; Harriman was denounced by the moral guardians as an odiously bad man; one would have thought that never before had a "melon" been

cut; no one would imagine that what Harriman did had been done many times by every great railroad magnate; that it is the inevitable condition of the railroad magnate's trade; that he must do these things if he will retain his place and his power. Yet such are the facts. But the trouble, in the minds of the moral guardians, was always with Mr. Harriman's character; something was wrong there. If he were a different kind of a man he would not do these things, and so we took it out of him accordingly.

In truth, we seem to be afflicted on all sides with a plague of bad men — bad men in our public affairs, in our municipalities, and in our business. Bad men seem to be wonderfully numerous in America, and if it be true, as we are occasionally assured, that the product of one hundred and twenty-two years of our institutions is a race of men peculiarly and atrociously wicked, reared amid a shocking dearth of all public and private virtues, if this be really true (as a foreigner might conclude after reading some of our utterances), the only thing to do with our venture in human government is to sink it.

But, of course, every observer that, with any degree of attention, has gone about the world knows that everywhere people are about the

same. The people of one country are morally not to be distinguished from the people of another country; and no country on earth raises a phenomenal product either of good men or of bad. It is only Chauvin and his tribe that hold faith in any geography of virtue. Conditions differ in different countries — that is true, and different conditions force men to adopt different methods; but the men remain about the same, and if we do not like the product, the place to lay our blame is on the conditions and not upon the men that are universally the victims of conditions.

I will give an example. When by a public scandal attention is called to the fact that a man in the conduct of his business has violated some law or police regulation, we think he has done wrong. It is wrong for him, in violation of the law, to obstruct the sidewalk, or in violation of the law to occupy space under the street, or to defy the building department; wrong for him to do these things, and wrong to pay aldermen and police captains for the illegal privilege of doing them. Of course, we are right in this thought. All these acts are wrong, but we overlook the fact that they are what may be called capitalized wrongs; that is to say, they have become part and

parcel of the conditions under which business may be done, not alone by this one man, whom we condemn, but by all men. They are the established customs of his trade; they have become institutions more powerful than laws or police; we must bow to them. Neither wit nor will can stand against them. Suppose to the contrary. Suppose him to be of such moral fiber that he is able to stand alone and feel quite indifferent to the codes of his neighbors. Suppose him, therefore, to say, "I will not use the space under the sidewalks, I will not obstruct the highways, I will not violate in the slightest particular the regulations of Government." The only result will be that he will cease to do business. His own conscience, to be sure, will be free from any reflection that he has departed from the prescribed duty of the citizen, if such a reflection would cause him any pain, but this will in no wise help the public nor vindicate the law. The man that takes his place will obstruct the sidewalk, defy the building department, and pay blackmail to the wardman as inevitably as the sun shines. He will do these things, or things like them, or he in his turn will cease to do business. He may be at heart the best of men; most honest, upright, jealous of his good name and cherishing stern

principles of civic duty, yet necessity will force him, against his will, to do the things that are done in his trade, law or no law. He must do them; there is no other way. And if by any chance he be exposed and arrested and ruined as a penalty for doing some one of these things, the man that succeeds him at the old stand will do them no less; and so will the man across the street and the man in the next block. For such are the conditions of the trade, and no law of man's making can change them.

In other words we are now at the heart of the whole matter. Is it not apparent at a glance that no change of political parties can touch this situation so long as we maintain the system that produces the situation, the system from which the situation is inseparable? Let us put into power whatsoever party we please, with aims and principles however pure and lofty, how shall that change this always persisting fact that the man in business must do certain things or be ruined? He must do them, he cannot escape them, neither his own morals nor the community's shall avail to deter him from doing them. A power irresistible and caring nothing about party platforms nor ingenious reformers stands always before him saying, "Do this or be ruined."

Under existing conditions what shall we gain if we shift parties and shift nothing else?

Even for tax dodging something may be said, (under existing conditions) although it is the form of commercial tergiversation that works the most direct injury to the public. You can hardly expect a man in business to pay a tax on his business that all other men in the same business evade. Very often he can do so if he chooses, and still avoid ruin, but he can never do so without insuring a substantial loss and an injury therefore, to his business, and on reflection the obligation upon him to undergo this loss will seem to him very slight. The Government should collect the tax. His competitors evade the payment of it; why should he put himself at a disadvantage compared with them? Business is business, and business has nothing to do with sentiment. He will pay what his rivals pay, and no more. We know all this to be true. What I am urgently suggesting here is that we cease to pretend that it is not true.

Again, I suppose that every discount bank in the city of New York habitually violates the law. The men that conduct these banks do not wish to violate the law; they do it, in fact, with some peril, because sometimes a bank goes to smash

and then the gentlemen that have been transgressing the law face indictment and prison; but these are the conditions of the banking trade, and a bank can not change them. It can, of course, shut up shop and retire from the trade, leaving the esteemed helmsmen quite free from any danger of imprisonment; but if it continue in the banking trade, these are the conditions it will follow. Nothing is ever gained for the law by sending such gentlemen to jail; jails can not change inexorable conditions. If to-day we were to send them all to jail to-morrow their successors would continue to conduct the banks in the same way and not in another; because in this way alone can banks be conducted. The character of the men that conduct banks has nothing to do with the matter. All bankers, of all shades of character, stand here in the same category. Let a man be as pure as the Chevalier Bayard and as disinterested as Washington, and if he conduct a bank he, too, will conduct it upon these lines.

We begin now to get a glimpse of a Force at work that is greater than laws and constitutions, greater than governments, greater than political parties, and greater than the wills, inclinations or moral convictions of men. In the last few years some very impressive showings of this

Force have been vouchsafed to us, so that now we begin to understand something of the evolution that is working throughout the world, and of the difference that has grown up between the form of our government (as of others) and its real substance.

Take some of these object-lessons and consider them. We can not yet have forgotten the outburst of popular indignation that five years ago followed the life-insurance scandals. Here was shown to us a condition too grave and too far-reaching, we said, to be ignored. Insurance is the first of our interests; it comes home to our families; the security of our wives and children depends upon it. Millions of men were vitally concerned in these disclosures and many millions of saved dollars were believed to be in peril; the economies and earned treasures of toiling men in all parts of the world had been cast about like pebbles, or used illegally to build private fortunes, to influence public opinion and buy public servants, to corrupt Government and make us ashamed of our country. We said we must know all there was to know about these things; we must go to the bottom, no matter who might be hurt.

So we prepared to go to the bottom. We se-

cured at Albany a committee of legislators sworn to do their duty, and this committee, having employed as its counsel or probe a skilful attorney, began to investigate the insurance companies. And every time the investigation threatened really to uncover any vital fact, some mysterious power reached out an invisible hand and stayed the search. Again and again this happened. The things that the public already knew, it was allowed to know more of; the men already smirched were allowed to be still more blackened; the parts of the machine already disclosed to view were further illuminated. The hidden parts, the men that manipulated them, and the methods of the manipulation were never once uncovered. Again and again it looked as if the curtain that hid all these things would be lifted, but every time the mysterious power put forth a hand and the investigator turned another way. Mr. Ryan was examined at length; he knew the secrets of the hidden machine; not a question was asked of him that could show to the world the turning of a single wheel. Mr. Harriman was examined at length; nothing was asked of him that the public did not already know. Sometimes the revelation seemed so imminent that men on the inside must have held their breath for fear; al-

ways the investigation glided gracefully away from the danger-point, as a good skater glides from an air-hole, and the world learned nothing.

There was also created for the benefit of the policy-holders and the cause of honesty a committee of the Governors of States. It was one of the most imposing bodies of the kind ever formed in this or any other country, and its determination that the old, wasteful, irresponsible methods of insurance should be abolished forever was supported on all sides by an aroused public opinion. Yet all this came to naught. The sum total of the investigation was a great published volume of testimony, an utterly fatuous law, and the founding of a new political career. The sum total of all the attempts at reform was the insurance business conducted on the old lines, in the old way, and chiefly by the old hands. Under the existing system there could have been, in fact, no other result.

Two years later there came upon New York a similar moral upheaval caused by the traction situation. It had been made quite plain to the common intelligence that the privileges of the public streets, wrongfully bestowed, had been used to gather enormous fortunes at public ex-

pense. Some of the operations of the men that made these fortunes had been of a gravely illegal nature. For their own sole benefit they had so loaded the traction system with interest-bearing securities that it had broken down, and a long period of very bad public service had culminated in a receivership. The injury to the community was great and genuine, and the general disgust called forth a memorable investigation.

This proceeded until it brought to light a transaction that startled even a public not wholly unsophisticated about such things, and to the rest of the country seemed like a national scandal. It appeared that the gentlemen in control of the traction system had, for a small price, possessed themselves of a certain paper railroad, and had then sold it for a very great price to the system they controlled, dividing the plunder among themselves.

At this moment the mysterious power reached out its hand as before, and the investigation ceased. Those that knew the facts repeatedly called the attention of the investigators to a mass of still more astounding evidence that was easily available. They pointed out, for instance, that the same gentlemen that had bought and sold the

paper railroad before mentioned had performed a similar operation no fewer than four times, always dividing the plunder; they showed that these transactions could readily be established, and were, in fact, only a part of the general policy that had wrecked one of the finest properties in the country, and created, by dishonest means, some of the largest fortunes. All of these representations were pushed aside by the Public Service Commission. The investigation came to an abrupt and wholly futile end, and notwithstanding the absurd figure it cut and the perfectly patent fact that its work had scarcely begun, no protest availed to continue it. The Force had exerted itself; no other power could equal that.

There arose next a demand for a different kind of investigation. This likewise came to nothing. Yet the plain fact remained that the system had been looted of many million dollars, and that the public must pay many times for the loot. Here are evidently only specific manifestations of a general condition. For instance, if we turn to national affairs and go back a short time, shall we suppose that Speaker Cannon, holding his place against the will of the country, triumphed for any reason of superior endowments? This dull and commonplace man, without mental re-

sources, without tactical ability, wit, cleverness, dignity, fitness for his position, without even the ability to express himself becomingly; at all times a sorry figure as Speaker, how did he come to occupy so high a place and to retain it year after year? It was admitted that he had no magnetism to charm men and no judicial attributes to win their admiration. No one in the House of Representatives really wanted this man to be Speaker, and yet when his own party wearied of his methods and his obvious alliances, the Force reached out a hand and enough Democrats voted for him to prolong his ungracious career.

We may believe likewise that in spite of its condition as a rotten borough, and of a prevalent corruption often depressing to contemplate, the people of Rhode Island did not of themselves support nor even tolerate Senator Aldrich. If they had been left to their own unhampered choice, not a handful of the citizens of the State would ever have voted for him. Why should they? Clearly, he had nothing to commend himself to any intelligent citizen. Even the authority that in ways so objectionable he exercised in the United States Senate owed nothing to his intellectual gifts or personal equipment, but was imposed upon him solely by the power that com-

pelled his election and put into his hands, as its faithful, willing, unquestioning servitor, the care of its interests.

In our country we have been accustomed to the surface indications of very great changes in Tammany Hall, the product of conditions and the methods and ideals of Government.

These men are not accidents, and they do not regard the manifestations of the new Force as originating in the power of the great corporations (otherwise known as the Interests), and this view is quite correct so far as it goes. The corporations have interfered with all our affairs and in ways fatal to all previous ideals of free government. Beyond doubt they have been a huge agency of corruption and of reversionary practises. Yet we should look beyond them to the conditions that created and now maintain them; for the great and corrupt public service corporation is, like the corrupt ring in municipal government, only a passing sign of the times, and, however deplorable, is more of a symptom than a cause.

The truth is that Business has become the real ruler of our affairs, and the United States is the first country to set up a Business Government; at present very crude and unbalanced, but neverthe-

less a Business Government. We have not admittedly done this, but it is the substance of our evolution, and all such changes become real long before they become acknowledged. As in the case of Rome under the emperors, the old forms and names of things are retained but are no longer potent nor have the old significance. Neither the Constitution nor the Supreme Court, nor the President, nor Congress, nor legislatures, nor votes, nor height, nor depth, nor any other creature, may avail to withstand the new Ruler. If the Constitution be an obstacle, it is interpreted out of the way; no less an authority than Elihu Root, that moral guide and eminent philosopher, says so. If the Supreme Court decides in favor of an income tax, Business reaches out and compels it, almost overnight, to reverse its decision. If a law be passed obnoxious to Business, not all the clamors of people nor all the uproar of a strenuous President shall secure the law's enforcement.

On the whole, it seems strange that these facts, so self-evident, should never have been more explicitly admitted; but it must be borne in mind that the new dispensation has not really come without our notice and some effect upon our nomenclature and manners. We habitually say that a thing is "good for Business," or "bad for

Business," and in one case we can give no higher tribute and in the other utter no deeper curse. The thing that is "bad for Business" represents at once to all minds a condition intolerable. That it is "bad for Business" is a fact admitting of no palliation; it must be abolished. To make Business good is the chief end of legislation and the one goal of statesmanship; as a rule, little else is now considered in the councils of government. We have seen, indeed, very singular obsessions in regard to the functions and powers of different men to affect Business; that one, for instance, by his mere presence in the White House can make Business good and another by some occult charm or incantation has the effect of making Business bad; and in regard to these men either assertion was with a great many of us sufficient and final. And to seek no farther for an illustration than the common daily press affords it can hardly have escaped notice that the only truly admirable condition in the view of our editors is one in which Business is always good.

If we come back, then, to the significant incident with which we started, it will appear that the real reason why our fire departments are honest, efficient and capably managed is because

Business has willed that they shall be so. Destruction by fire is an evil directly threatening disaster upon Business most palpable and imminent. This disaster Business is determined to avoid. Therefore Business decrees that the fire department shall be so conducted as to minimize the danger of such loss. The other departments of the city government are less honest, less efficient and less capably managed because in them Business has less interest, and the degree of departmental efficiency under the forms of government hitherto existing in our cities is in proportion to the degree of vital interest that Business has in such a department.

The substance of the situation in most of our cities is merely this, that Business, not having the time nor the impulse nor the sufficient reason to bother with the details, has made arrangements with a gang of politicians whereby the city departments, except the fire department, are delivered over to the politicians on the condition that the machine shall continue to run in some fashion and that Business shall not be disturbed. Business does not care how much grafting may be done in the departments providing the grafting does not affect Business; it does not care whether appropriations be honestly expended, the streets

cleaned, the pavements repaired, the water supply kept pure, and the functions of office faithfully performed, so long as Business is not harassed or impeded. Business does not care how the health department may be managed until it discovers, as in 1892, that it is suffering injury from a cholera scare; then it issues a decree that the facts about cholera shall be suppressed, and the health department suppresses them. In the conduct of the police force Business insists that Business shall not be robbed, that its goods shall be protected from thieves, that burglars shall not drill the safes of its banks, that criminals of the coarser sort shall not be allowed in Wall Street, that it shall not be subjected to loss from preventable depredations originating out of its own circle. It insists upon this protection and secures it. For more than this it does not care, and the police force proceeds in profitable and open alliance with vice and with forms of crime that are not attacks upon Business.

Under these conditions gambling in various forms, pool-rooms, policy shops, gambling houses, the social evil and law-breaking saloons flourish by virtue of a police license paid for in blackmail, and the corruption is so manifest that the

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name of the city becomes a synonym for misgovernment.

After a time the gang of politicians becomes too bold or too careless and a revolt ensues. Then such part of Business as has idealistic or emotional tendencies joins hands with other elements that are moved toward reform. Money is contributed, a campaign for purity inaugurated, and at the next election the present gang of politicians is routed and another gang installed. Presently the discovery is made that the methods of the new gang are not good for Business; the welfare of Business demands that the town shall be what is called "wide open;" Business suffers under Puritanism, but would be revived by the application of more liberal ideas—a phrase that, being interpreted, means that vice shall be encouraged and police blackmail be ample. Whereupon the original gang of politicians resumes its contract with Business and all essential conditions are restored to what may be held to be the normal basis. Tammany is once more in control.

Government by Business may in itself be good or bad; we have not yet proceeded far enough with it to be able to say. But with perfect confidence two things may be asserted of it:

First, Government by Business that pretends to be something else, as ours pretends, is most certainly bad. It is bad because hypocrisy, cant and false pretenses are always unprofitable, and still more because these false pretenses are the parents of almost illimitable corruption, hurtful to us all and often in unsuspected ways costly to Business.

Thus, because we maintain the pretense of a form of Government that, practically speaking, no longer exists, Business is driven to secure by the purchase of legislators, or the bribing of police, the ends that it must have. In the case we have already considered of the man whose trade conditions compel him to violate the law concerning land under the sidewalks, a Government of pretense maintains this law upon its statute books, and Business, that it may maintain undisturbed the conditions essential to it, pays a public officer to condone the law's violation. Business, finding it necessary to seize the public highways and to deprive the people of their rights therein, resorts, under the Government of pretense, to the city council, whose members it bribes into compliance with its wishes. Business under the Government of pretense, being threatened with adverse legislation, proceeds to the State Capitol and there

deals out wholesale corruption upon the representatives of the people. Business, having a purpose to achieve at Washington, uses these influences and methods imposed upon it by the Government of pretense, and these influences and methods degrade the dignity of the nation. Business, having need that one Presidential candidate shall be defeated and another shall be elected, pours out millions of dollars for the purchase of votes and leaves a pregnant source of evil to curse us for many years to come. Business, having need of the assistance of a majority of the Senators, goes into the States and buys their election, to the infinite scandal and injury of our good name.

Looking at the matter dispassionately and laying aside the partisan fervor that so often blinds us to things as they are, it appears that these are the certain products of the existing system, and that they are not to be changed so long as the system exists. We have had an endless variety of reform movements in city and State, but none of them has affected one of these products. Under every conceivable kind of an administration the system will continue to operate in exactly this way because it can operate in no other. Orators may rave, reformers fulminate and editors argue, but the cold fact remains. It is not the

name of the administration that we are to change, but something very different.

Therefore we may accept the proposition as not open to dispute, that if we are to have Government by Business we should have it frankly, honestly, without reservation, acknowledging the facts, conducting ourselves accordingly; and we should do away forever with the pretense that we have a Government of any other kind. Then if the necessities of trade compel business men to occupy land under the sidewalks, Business will abolish the law that forbids such occupancy and thereby abolish the corruption that the law entails. If Business finds that the presence of any man in the Senate is necessary to its purposes, it will announce the fact and choose the man without resorting to the purchase of a legislature. Whatever Business wants in a Government conducted frankly and fairly by Business will be had without deception or cant.

The other respect in which Government by Business (as at present conducted) is clearly bad is its effect upon the masses of people that are outside of Business. Vast and steadily increasing populations that are insufficiently nourished and badly housed, like many artisans, most toilers in factories, the dwellers in tenements and the peo-

ple generally that are below the line of moderate comfort, can have little concern in the governmental operations of Business. To them it can mean nothing that Business chooses this or that officer or decrees this or that law. Their interest is not in profits, but that they may have enough to eat and some tolerable place of shelter. Unluckily, concern for the welfare of these is not a matter of sentiment, as Business invariably assumes. Those that go down to the slums in the cohorts of emotional sympathy do, indeed, present at times to the practical a spectacle not wholly serious, but for two reasons Business should take heed of the underlying problem involved. In the first place, if the masses of people become too much impoverished, the national stamina is destroyed, which would be exceedingly bad for Business in case Business should plunge us into war. In the second place, since poverty produces a steady decline in physical and mental capacity, if it goes too far there is a lack of hands to do the work of Business and a lack of healthy stomachs to consume some of its most important products.

For these reasons, a Government for Profits, like ours, incurs certain deadly perils, unless it be properly informed and broadly enlightened.

Something of the truth of this has already been

perceived by the astute gentlemen that steer the fortunes of the Standard Oil Company, a concern that in many respects may be considered the foremost present type of Business in Government. One of the rules of the Standard Oil Company is to pay good wages to its employees, and to see that they are comfortable and contented. As a result of this policy the Standard Oil Company is seldom bothered with strikes, and most of its workers have no connection with labor unions, do not listen to muck-rakers and other vile breeders of social discontent, and are quite satisfied with their little round of duties and their secure prospects in life. True, they will never be other than hired men of the company, and, true, their condition induces a kind of mental sloth and sleek inertia; but so long as they do their work they are certain of a well-filled trough and a warm corner to sleep in; and that to men looking out upon the mad battle-field of competition has a not unreasonable charm.

Unless Business recognizes quite fully the wisdom of similar arrangements for its employees, Business Government (as at present conducted) will in the end fall of its own weight. To have an immense and capable purchasing power in the country is as important to Business as to have a

local administration that lets it alone, or a Senate that it can control. All the Cannons and Aldriches in the world can not insure profits when the masses of people are too poor to buy products.

We must also note that besides afflicting us with what may be called a limited market, poverty really works mischief for Business on the expense side of the ledger. Poverty means ignorance, because the poor, being imminently beset at all times by want, must send their children to work instead of sending them to school. Ignorance, in turn, combined with the terrible and irresistible temptations that are the fruit of poverty, produces crime. Crime causes Government the heaviest of its expenses. Because of crime, a huge, costly machinery of police, detectives, prosecutors, courts and prisons must be maintained. Poverty also means disease, and disease again is not only bad for Business, but is no respecter of persons. An epidemic started in the back alley of a slum may at any time invade Fifth Avenue. Against this peril the profits of the fortunate are no protection, and the fact seems to be that on every ground slums do not pay.

Therefore the next two facts become of immense importance: first, that at present the slums and the amount of poverty in this country are

steadily increasing; and second, that under the present form of Business Government the whole subject of poverty is likely to be much neglected. The probability of such neglect under a Business Government is clearly to be seen from present conditions in this country, where Business has attained to a greater degree of power than elsewhere. For instance, in no other country with any pretense to civilization — not in Turkey, if I am correctly advised — certainly not in Russia, Spain, Egypt and other backward countries, are the laws for the protection of labor so barbarous as in the United States. Without the slightest prejudice or feeling in the matter, one may say that the life of an American working man is one of the cheapest commodities in the world. In some States there is no restriction upon any dangerous employment and no responsibility rests upon any employer, and in no State is there anything approaching an adequate protection or adequate responsibility. Since we have a Government by Business, Business must assume all the consequences of our Government, and the only conclusion is that, since Business could adjust these laws in any way it might see fit, their present condition is due either to the neglect or to the desire of the present form of Business control.

Either conclusion is enough to arouse genuine concern. For its own interests Business must do better than this if it is to continue to govern as it governs now, for should this be a fair sample of its attitude toward its dependants it will in time have nothing worth governing and likewise nothing to produce profits.

To sum up, the efficiency of the fire department, wherewith we started, is not a wholly reassuring fact. Business insists upon and obtains efficiency in this branch of the public service. It could as easily insist upon and obtain the like efficiency in any other department or in all departments. Because fire is an obvious and immediate danger, Business limits its demand to an efficient fire department. This indicates a view too narrow and restricted. With more breadth of vision Business might see that efficiency elsewhere would likewise be to its interest. So that here, to start with, we run against the fact that Government by Business (as at present conducted) will not do because it is too short-sighted. It will ruin itself. There will presently develop many other reasons why it will not do, but this is the one that pertains most to the present chapter.

Nevertheless, so long as we have this kind of a Government we ought in any case to play fair

and be honest. It is the pretense of another kind of Government that works the present mischief. So long as we can fool ourselves into thinking such footless nonsense as that one party will be any the less in the control of Business than another party we shall have nothing but trouble and we shall never come to the only possible way out. Hypocrisy never pays. We should make an enormous advance if we could but be candid about our situation. Since we have Government by Business, under existing conditions, let us say so honestly, and let Business have its way without these degrading disguises. Whatever laws Business finds are hostile to its welfare ought to be abolished; to keep them on the statute books while Business, by devious means, secures their nullification is intolerable. If there are any laws that Business needs to have enacted, let us try to arrange our affairs so that Business can secure such laws without maintaining Timothy Sullivan at Albany and Joseph Cannon at Washington. We are a Business nation; we have the first Business Government in the world; let us say so frankly and squarely, play the game to the limit, and see what the results will be. And let us have no more pretense that we mean anything else.

CHAPTER V

HOW UNDER THE GOVERNMENT BY PRETENSE WE MAINTAIN A FREE PRESS

As soon as you look under the surface of Government, or of almost anything else, you will find that the substance of the thing — if it be of any permanent interest — is close to Business. So far as Government is concerned that is not merely controlled by Business, it is Business; and about other matters — if they be worth while — Business always has the last word.

For instance, a free and enlightened Press.

One summer, many years ago, we had in New York a season of strange and not very edifying panic about Asiatic cholera. In Europe the disease had long been widespread; its progress and fatalities had been truly alarming; and after a time almost every European steamer arriving at the port reported cases of cholera among her passengers. Possibly, then, the panic was not quite inexplicable; certainly it was very genuine.

It passed, and by the populace was forgotten; not by Business, however, which never forgets.

A few years later I was the city editor of a New York newspaper, and one day there came into my office the health officer of the port, an old and dear friend. He sat down somewhat ill at ease, and said he had come to tell me something. There was a steamer that day arrived with cholera on board. He had held her at quarantine.

I said I knew that. He said:

“I have come to suggest that you print nothing about it.”

I asked why, being unfeignedly astonished at such a request from such a source. He said:

“Well, the business men of New York have been considering this thing and it is bad for business, so they have decided that they don't want anything printed about it.”

I remember I said something to the effect that my function was to print whatever interested or concerned the people of New York, that the arrival of a cholera ship was a matter of most legitimate and vital interest to them, and, so far as I was concerned, there would be no suppression of the facts. He said:

“I'm sorry. We've been friends for years. I shall have to refuse your reporters any information about that ship.”

Three-quarters of an hour later the business

manager of the paper came up-stairs from the den of iniquity that he called his office, and entered the purer atmosphere of the editorial department. He brought with him an order, extracted from the head man of the institution, that we forget the presence of the cholera ship. So we forgot it. Likewise every other newspaper forgot it. Business had but to nod, and, lo, not a word along the line!

Now the health officer was a functionary of the State; he had nothing to do with Business; Business neither chose him nor could dismiss him; he was in no way responsible to the business men of the city, but had been appointed by the State of New York to guard all its citizens against the importation of disease. Yet at a moment's notice, Business in New York City reached out one hand and touched the politicians and they sealed the health officer's mouth, good man though he was; and reached out the other and silenced every newspaper in New York, supposedly keen and eager for every important development.

The printing of news about cholera was bad for Business; hence Business decided off-hand that there should be no printing of cholera news. At that time the manner of the thing was new and

created some astonishment among us; it is now familiar and occurs without comment, not only in New York but elsewhere. I have known the same thing to happen more than once in Chicago; I have been assured that the histories of bubonic plague and of earthquake in San Francisco are adorned with many similar incidents, and have reason to believe that the true origin of the "re-assuring" news printed after the panic of November, 1907, would be fairly interesting reading if one could come by it.

Without discussing whether the printing of doctored news or the suppressing of inauspicious tidings be or be not for the country's welfare, it seems to be a matter of fact that so far as Business is concerned the freedom of the press is purely mythical. There is no such thing. We have the most potent censor in the world. No newspaper of standing would venture to print any matter condemned by Business, nor fail to print any matter, though sometimes very ill-founded, that Business required to have printed. Those that have with any degree of philosophy observed the development of "boom cities" in the West know how true this is. I once had the felicity of conducting a newspaper in such a place, and have some conception of the uproar I should

have caused if once I had mentioned the simple little fact that the corner of Elite Avenue and Fifty-ninth Street, on which lots were being sold in the East, was a swamp three miles from human habitation; or that dogs, cats, parrots, horses, dead men and ghosts were included in the city census. The publication of such matter would have been bad for Business and would have been followed, or, if he were wise, preceded, by the editor's hurried exit from town.

But if, on reflection, you think it important that the press is thus censored, you should take a look at the machine with which the control is effected. You should note how great and wonderful it is; how perfect, how effective, and possessed of how many ramifications! Here is truly the most marvelous and powerful engine of the age, and yet observe how simple is its principle! In these days, and under existing conditions, newspapers live chiefly upon department store advertising. Department stores thrive with the general health of Business. Behold the chain complete with these two links! If Business fares ill, the department store is instantly affected; if the department store is injuriously affected, the newspaper fares ill. Since newspaper publishing is now so conducted that no profit lies in the manu-

facturing, the life of the enterprise rests in the hands of the department stores.

We may, if we like, carry these reflections to a much broader field and speculate on the control over the world's brain that exists in the news agencies, those vast machines for collecting and distributing tidings of man's daily doings, all now controlled in the interest of Business. Something almost terrifying pertains to the fact that through these agencies one man with one word may color or direct the world's thought. This control has already been exercised to make history — more than once, I think. Take, for one illustration, the Boer War. This was a war brought by Business to secure certain gold mines lying in the Transvaal. From the beginning of the preliminary negotiations until after the end of the struggle, the world was most ably misinformed as to the true nature of the issues or the significance of the events. One may well believe that if the world had known the truth it would not have allowed the aggression to proceed, and the British flag would not now be flying over the Transvaal. And again, the true nature of the war in Morocco did not begin to dawn upon the world until after the war was over. It was Business once more — a Barcelona syndicate desired to possess

itself of certain mines in the Riff country. But no one would ever suspect that from the dispatches.

Very often, particularly in the United States, Business has thought well of directly owning individual newspapers so that it might have at all times a perfect reproduction of its ideas. Of this practise conspicuous examples exist among the many newspapers that are owned by the traction, electric light and railroad companies. But direct ownership is, after all, an extreme, rather crude and often expensive method of control, and as a rule is quite unnecessary. A newspaper is naturally a part of Business, and upon Business is wholly dependent for existence. From its office a thousand strings, some quite unsuspected, connect it with Business. If it be profitable, its fortunate proprietor has invested much money in securities that are highly sensitive to Business conditions; if it be unprofitable, it is sustained only by contributions that, hat in hand, it must beg from Business. It is, in fact, fed by crumbs from the Business table.

Since, in the present civilization most governments must, in their ostensible functions, appear to be molded by public opinion, and public opinion is shaped by the press, we here come upon one

great lever by which Business, the only real power, manipulates the machine. It has, of course, many others that sometimes coordinate with the efforts of the press and sometimes work quite independently. Thus, for instance, in these days Business usually selects a great part of the national cabinet and all of the nation's judges. Mr. Morgan, representing the iron and steel Interests, may select the Secretary of State; Mr. Harriman's successor, representing the railroad Interests, may pick out the Attorney-General; Mr. Ryan, representing the traction and lighting Interests, may choose the Secretary of War; the gentlemen that control the great oil Interests may choose the Secretary of the Treasury; and by these means a cabinet is assured that will not be hostile to the welfare of the great exponents of Business. If, for example, conditions require that much national money be released in Wall Street, the Secretary of the Treasury can be depended upon to release it; and if conditions require that a great corporation be not prosecuted for an unavoidable violation of the law, the Attorney-General can be depended upon not to prosecute it. If conditions require that one man appointed to be minister to China shall be recalled and an-

other man sent in his place, the Secretary of State can be trusted to comply with conditions.

The like careful supervision now appears in the choice of the Federal judges, because Business has found that to leave these to chance is sometimes disastrous. Men chosen for such high places are always those that by long and varied services as attorneys for corporations have proved their trustworthiness and value; and since Business is quick to recognize and to reward such merit, the legal service of Business now opens to ambitious youth the most promising careers. To places on the bench, the goal of many a young lawyer's ambition, Business offers the surest road. Sometimes, it is quite true, the nature of the work required of corporation attorneys, which is largely to show their employers how to evade the law, has been thought rather to unfit them for the best judicial achievement; but this has nothing to do with the fact of their selection. They are on the bench because Business requires them to be there; for Business security and welfare they are necessary. In the present generation, at least, no Federal judge has been appointed contrary to the wishes of Business. The last conspicuous exception to this rule and the last Federal judge of

whom Business disapproved was General Gresham, appointed during the administration of General Grant. A Federal circuit judgeship was to be filled, and Business, following its usual course, selected the proper incumbent and passed the name along to the President to be ratified; but Grant, who was always a soldier and without much tender regard for Business, shocked all the proprieties by curtly declining to comply with the request.

“Do you know General Gresham?” he said to Oliver P. Morton, of Indiana, who was representing Business on that occasion. “Yes? Well, he was shot all to pieces down there below Atlanta. I’ve seen him in war and peace and he has always struck me as the right kind of man to be a judge — impartial, brave, cool and steady. Anyway, I’m going to appoint him.”

Senator Morton retired in dudgeon. General Gresham went on the bench and for several years caused pain to Business by his apparent indifference to its interests. One of his achievements was the snatching of the Wabash Railroad from the gentlemanly crows that were then engaged in picking out its eyes. He appointed a receiver for so much of the railroad as lay in Illinois, and in one year this receiver made for the stockholders

something like \$4,000,000 from a property long represented, for stock gambling reasons, as unprofitable. For a time the railroads endured this sort of thing. Finally they said: "This man annoys us," and had him transferred from the bench to Cleveland's cabinet, where he could do them no harm. Perhaps this was not as generous of them as it looks. He was on the bench for life and there was no other way to get rid of him except to kill him.

Since Grant's time the corporation end of Business has managed much better the matter of judicial appointments. Possibly nothing more than a coincidence lies in the fact that few important cases are decided against the railroad companies and that a majority of the appealed decisions of the Interstate Commerce Commission are nullified by the Federal courts. The coincidence is, of course, fortunate for the railroad companies. But shall railroad companies less than individuals take advantage of fortunate coincidences?

Much experience has also taught Business that the directing of party conventions, the choosing of candidates and the phrasing of party platforms are matters for its concern, and can not safely be neglected. My lot has been to see many political conventions of many kinds — national,

State and local. From an experience of more than twenty-five years I can recall only three such conventions that were not controlled by Business, and these three Business subsequently nullified, so that the result amounted to control. I remember particularly the case of a man that wanted very much to be nominated for the Presidency. In the next succeeding Presidential term three Supreme Court vacancies were to be filled. Experience had convinced Business that the proper filling of such vacancies was of very great importance to it; consequently it blocked the nomination of this man until he had given the necessary assurances as to the selections he would make for these vacancies. Then he was allowed to fulfill his ambition.

In general, one may say that a candidate nominated is one chosen by Business either for purposes of election or purposes of defeat, for both may be useful or necessary to Business. Sometimes, of course, one end of Business may conflict with another, and operations must be suspended until the difference is adjusted; and sometimes Business undergoes a check and must wait. Thus, in the Democratic National Convention of 1900 the Wall Street end of Business sent Mr. David Bennett Hill as its chief repre-

sentative to prevent a free silver plank. Business is powerful, Mr. Hill was very able, but both were unhorsed in that convention. Mr. Hill was not even allowed, in spite of his able generalship, to be on the Platform Committee. But four years later Business and Mr. Hill rode to a memorable triumph, and Mr. Hill on the Platform Committee saw the ignominious rout of his foes.

From the recollections of many conventions, I recall one in Indiana where Business had decided upon one policy and nine-tenths of the constituents were for another. When the delegates assembled Business was clearly in the minority. At the noon recess the representatives of Business issued to its adherents a certain conspicuous badge, and instructed the police that only persons wearing that badge were to be admitted to the hall. Before legal action could be had, Business organized the convention, appointed the credentials committee, threw out enough contested delegates to secure control, opened the doors and went calmly on with its program. I cite this as a sample; any experienced correspondent has seen the like many times. The lesson is that Business will always have its way, if not by one means then by another. Twice when in opposition to Business Robert M. La Follette was a candidate for the

nomination for Governor of Wisconsin, Business turned a convention instructed for him into a convention that defeated him. I suppose it used money on these occasions, but if necessary it would have used anything else.

When the interests and desires of Business come into sharp conflict with the preferences of the majority of the people, brief contests result that are very delectable to the philosophical observer. Thus, two years ago it was the desire of probably four-fifths of the population that the tariff duties on imports should be reduced, and observers not philosophical actually expected, despite the lesson of history and the warnings of the wise, that something of the kind would be achieved. Five months of Congressional vocalization saw the reduction advocates pushed backward from every position they had taken, and the tariff unchanged — except where it had been made worse. There was, indeed, something pathetic about the plight of the reductionists; they had fought so long and so furiously and apparently without a suspicion that they were battering a stone wall with their bare fists. Business preferred the tariff as it was; Business had its will. It always has its will, and if there be about the country now gentlemen called Insurgents, or

otherwise, that think by paper bullets and verbal assaults to make some impression upon this institution, let them be calm and save their labor. The tariff will remain exactly as it is until Business sees that the interests of Business will be better served by a lower tariff. Then the tariff will be lowered.

Good knights of the ranks Insurgent, why charge this windmill? It will continue to revolve after you lie kicking on the plain. Suppose yourselves to have won all that in happy hours you have dreamed of winning. Suppose you were to carry the House this year and the Senate next year and the Presidency some other year. You would not get the tariff reduced until Business so desired, though that were a thousand years hence. How poor are they that have not memories! One would think that this campaign for tariff reduction was a new-born agitation instead of being a hoary and time-worn veteran. Without cessation it has lasted in this country more than thirty years; men have labored for it with the fire and devotion of the early Christian zealots; more than one man has given up his life to it. In 1882, 1884, 1886 and 1890 we carried national elections on it, repeatedly electing Houses of Representatives pledged to

tariff reduction and finally winning the Senate. In 1892 we swept the country again and came into power with President, Senate and House all in favor of tariff reduction, all elected on that issue, all with a mandate most emphatic and unmistakable.

Was the tariff reduced?

Not so that you could notice it. Every time a reduction was proposed and formulated, a mysterious, secret, irresistible power stretched forth an invisible hand and destroyed the proposition overnight. Again and again the thing was tried in months of fierce fighting. Always the result was exactly the same. No skill in maneuvering, no courage of assault was of the least avail. Majorities were nothing, the will of leaders was nothing, the expressed determination of the people was nothing. The strongest men battered and raved in vain, and I have always thought that it was this maddening sense of impotency against a secret force that killed William L. Wilson. There was something uncanny about the situation. By all reason, all the rules of representative government and the law of majorities, that tariff ought to have been reduced, and yet no power was able to make an impression upon it. The country wished to have the tariff re-

duced; Business wished not to have it reduced. Against the wish of Business, the real ruler, the wish of the nation was literally nothing. Business sits upon the throne and decides what it will have, and against its decisions ballots are like the idle wind. The fact is repulsive to us, because it subverts our cherished traditions, and of all the people on earth we are the hottest for tradition. Yet who can deny that under all the fol-de-rol of pretense this is the real situation?

Sometimes Business proceeds in one way, sometimes in another, to win its ends. It is at present the only true wisdom because it is a collective wisdom moving toward absolutely necessary ends and with means untrammelled by any traditions. In 1892-1894 it was engaged in a grapple with the nation's will; ten years before it had defeated the nation's will by indirection. The first national election in which the reduction of the tariff was the issue was in 1882 and the victory of tariff reduction was great and astounding. Not one of us that fought for it had foreseen the extent of the nation's response. Business must have been somewhat taken aback. To nullify the popular verdict it resorted to one of the most useful of all devices. It secured the appointment of a commission to investigate the

whole tariff question. This adroitly gummed the game. The commission, being appointed entirely by Business, took up a year in futile and fantastic inquiry and then brought in a bill that elaborately split the hair of technicality between North and Northwest. Of course a grand word tournament began over this work of art, in the progress of which the public was supposed to lose all interest in the subject and to devote itself exclusively to the baseball bulletins.

But rather curiously, the public did not wholly forget on this occasion. It returned to the charge in the next few years. To block it the argument was used that the new hair-splitting commission tariff must have a fair chance to be tried. When this would no longer work, and the great majority of the country demanded with a bang that something be done, Business defeated the demand with the cunningly devised Gorman bill.


So it is now, so it will be as long as the present system endures. Whatever Business wants it will have, not through the superior or malign wit of any man or any set of men, and not through conscious planning, but because, in the present condition of society, the very first necessity overtopping all else, the first of all considerations

and purposes, is that Business shall go on. It must go on; a great, primal, blind, resistless, universal necessity keeps driving it on. It must not be interfered with, stopped, hindered nor questioned. It will trample over whatever is in its way as a great herd of buffalo on the plains used to trample over a wayfarer — without the least ill-will, unconsciously, unintentionally and merely because it must go on. Nothing must be allowed to stop it; under present conditions it is the nation's heart.

The story of the attempts in the face of Business to reduce the tariff is but an example of all attempts to do anything whatsoever, great or small, in opposition to the will of Business. Exactly the same fate has attended every such attempt, no matter where made or by whom or when or how or for what purpose. See if I am not right. Who, for example, can, without laughter, contemplate the attempts of the last thirty years to regulate railroad rates and to restrain the corporations? I mean when we come to regard these attempts as they really are, freed from subterfuge and hypocrisy. The Regan bill is succeeded by the Cullum bill, the Cullum bill by the Elkins bill, the Elkins bill by the Hepburn bill, the Hepburn bill by the Taft bill and how

futile, absurd and comic looks the whole procession! Not one of them achieving one result beyond negligible oratory and jobs for the deserving! After it all American railroad rates remain unregulated and also remain the most arbitrary, unreasonable, illogical rates in the world. Business is opposed to rate regulation; hence there is none. Rave on, good orator; it is so and will be so for all your mighty eloquence.

So, too, with all efforts to curb all other corporations. Whenever under some moth-eaten statute, regulation has seemed to win a victory, men see in a few months that the victory was but in name and the original condition persists unchanged. Take for a perfect example of all these matters the campaign waged to so spectacular a finish against the Northern Securities Company. Mr. James J. Hill had formed this company partly to facilitate his amalgamation (quite illegal) of the Great Northern and Northern Pacific, partly to cover the cutting of a gigantic "melon" among his fortunate stockholders. What profound issue was at stake no one could tell, since to the masses of the people it could make not the slightest difference whether Mr. Hill cut melons under one name or one thousand; and, for the matter of that, scores of institutions



exactly like the Northern Securities Company flourished unmolested in our happy land. But it happened that one end of Business was just then in a fierce struggle with another end of Business; the end opposed to Mr. Hill's end roared mightily about his new company; and for reasons of publicity it was led to the altar and amid loud acclaim and fervent rejoicings sacrificed there, a burnt offering meet for the sins of somebody unknown — possibly Mr. Hill.

But the atonement, whatever its origin, certainly must have been vicarious. It never made the least essential difference to Mr. Hill. He merely closed one set of books and opened another. The amalgamation of the Great Northern and Northern Pacific went on unchecked and as for the melon, why that, luscious and hot-house grown, came duly to table under another name. What is nomenclature to a hardy horticulturist like Mr. Hill? A melon by any other name will taste as sweet.

So it has been always. No man can lay a finger on one case where the reform movement, however augustly engineered, has succeeded in regulating, checking or restraining the corporation end of Business. Try it and see. Run over the long list of regulative activities and if you

can mention one that has effected any essential change or been other than flat failure I will award you a prize. Do you select the fines lately levied with much *éclat* upon the railroads for rebating and the like? Dear unsophisticated soul, those fines were never paid by the railroad companies; they were paid by you and me. As for rebating, that goes on its sweet, simple way as of yore. Or do you think of meat inspection? That is a jest. Or of the pure food law? I know a man that is writing a comic opera about that.

The fact is, the reformers can not induce Government to control Business because Government is not Government but only Business. Government is Business and Business is the Government and a Government can not very well proceed against itself. We hate to acknowledge the truth about the situation; the contrary pretense is so pleasing and titillating, but consider impartially the facts here set forth, and if one flaw can be discovered in the conclusion that Business is the real Government, please kindly call attention thereto. Business is the sole power, national, state and local. Whatever attempt may be made to proceed independently of or adversely to Business is merely illusion for effect upon the public. Business still finds it well or thinks it well to con-

tinue the shell of another form of Government; as to what is under the shell you need but one look to be convinced.

Sometimes the pretense is comic, as when the European banking interests manipulated the Hague Conference to collect their debts; sometimes it is tragic as when the railroad Government of California culminated in two attempts to kill Francis J. Heney; sometimes it is placidly dull, as in the Pennsylvania Railroad's Government of its State. But it is always there.

I like the Pennsylvania story, dull as it is, because it is so perfect and typical and seems in a way to offer support to my contention that what we want now is frank acknowledgment of the existing facts and certain formal changes to meet them. For almost forty years there has been no Government of Pennsylvania, outside of the Pennsylvania Railroad. The matchless organization of that great institution has supplied every form of Government necessary to the conduct and material essentials of modern society. It has not merely controlled the Government — it has been the Government and all branches thereof. It once carried its performances of governmental functions so far that its leading spirits sat as the State Legislature and balloted for United States

Senator. A very superficial but common view of these matters ascribes the railroad's possession of sovereign powers to the evil designs of the men in control of the railroad, and by the few persons that object to corporation Government such men are much condemned. In point of fact they are not really blameworthy for what has happened. With any other men in control, I care not who, reformers, lion-shooters, mountebanks, editors of smug periodicals, strenuous regulators, or what not, the result would have been identical. The Pennsylvania Railroad seized the Government of Pennsylvania not because the managers of the railroad were bad men but because the necessities of Business imperatively demanded such seizure. That was all. No choice was allowed. The development of the railroad property took certain lines. No one selected those lines for it. Conditions and circumstances of Business drove it along. These conditions imperatively demanded control of the State Government. Thereupon the control followed, and it would have followed if all the strenuous gentlemen between here and Oyster Bay had roared and protested against it.

As to the results upon the State and the people, there seem to be two opinions. If we choose

we may ask who are the best judges? Everybody in Pennsylvania knows that there is no Government there except that of the railroad. Years ago the people abdicated and laid down their sovereignty. Do you hear any complaint from them? Not a word. They are perfectly satisfied with conditions; they want no change. Ample trial has been made of the system with little or no concealment, and they have no fault to find with it; the people know their Government and so far as an outsider can judge they like it; there is less social unrest and discontent in Pennsylvania than in almost any other State, and there is less hypocrisy and pretense about the real nature of the Government. Before these facts criticism seems dumb.

Even in the example of California, though sadly marred by the excesses before mentioned, there is ample ground for like comment. Everybody in California knows that the Southern Pacific for years has been the State Government; also the county, city, township, and ward government, the school-board and the constable. If you meet any citizen of the State he will tell you so, and probably add with amusement an account of some futile revolt raised against the Government. Yet observe these Californians, how happy and con-

tented they are! I think no happier people dwell anywhere. With minds unvexed by political cares they are free to attend to their own affairs in their own way. No questions pursue them as to who shall be Senator or who shall sit in the Legislature; they know that in its own good time the Southern Pacific will dispose of all these matters. It must be a great relief. Those attempts to kill Mr. Heney looked ugly. Yes, but here again you notice that the Californians do not seem to care very much. They must regard these manifestations as of less moment than some excellence, not generally known, of their government by the Southern Pacific. Therefore, one may reasonably argue that this government has been good since it has had the approval of the people. If it were not good they would not like it; I think that proposition can not be gainsaid.

Similar observations apply to other States, though not always with the same force. In Rhode Island, of course, the control of these things is shared between the cotton mill interests and the New York, New Haven and Hartford Railroad, an arrangement to which we are indebted for the public services of Senator Aldrich, the popular hero of the hour. From casual observation in this State, I should say that the re-

sults were not so satisfying as in Pennsylvania; due possibly to want of frankness in the conduct of affairs, some persons being still unaware of the nature of their Government. But observe, on the contrary, how well everything goes in New Hampshire! Everybody knows that the Boston and Maine owns the State, and everybody is perfectly contented.

To bring against any man or any class of men any measure of reproach because of conditions widespread and evolutionary seems the last achievement of folly. No man and no men can help these things; no man and no men are justly to be held in the least disesteem because of them. Talk about the dominance of materialism and the dollar hunt in America as if these resulted from individual delinquency is the veriest absurdity and we have had enough of it with overmeasure. Certain conditions produce certain results. The whole thing is evolutionary. At the present stage of evolution Business, not represented by any group of men nor by all men in business, but being a vast incalculable force, requires certain things. It is irresistible; therefore it has what it needs. Individuals have nothing to do with it; no man could have accelerated or retarded the development of this situation any more than

he could accelerate or retard a glacier. Let us be fair. The so-called "malefactors of great wealth" are no more responsible for existing conditions than they are for the Lower Silurian. Why fulminate against evolution?

Take any phase even of what are called stock-jobbing methods and see. Take what is known as the crying evil of stock-watering. It is at all times well we should have shown to us the burden this practice inflicts upon the public, but to condemn the men who engage in it is very idle. They can't avoid it. Here is a railroad capitalized at \$39,000,000. It is capable of being capitalized at \$100,000,000. How on earth in existing conditions can its owners get its value out of it unless they increase its capitalization? When they increase its capitalization they must also increase its charges to support its capitalization, but that does not alter the fact that to increase the capitalization is the only conceivable way to get its value. Then to issue the new capital is not volitional with them; they have no choice; they absolutely must do it to realize the value. The outcry of the half-baked editorial mind against Harriman's Alton deal was almost sickening. When the man died the same critics took it up again and howled anew. Not one of

them suggested what else he should have done with the property but to capitalize it, and not one of them pointed out that exactly what he did is the thing that is done every day because it is a requisite of Business as Business is now situated. Heaven forbid that I should appear as an apologist for E. H. Harriman, but why not be fair and acknowledge the facts? These men do not what they devise but what they absolutely must do in existing conditions. If we want to scarify something, let us go out with our ready hammers and scarify the responsible conditions.

Men begin now to say that the prominent exponents of Business, the Rockefellers, Morgans, Harrimans, the directors of the Sugar Trust and the Beef Trust are above the law. Right! Assuredly under present conditions they are, and so far as one can now see they must be; not because of their personal traits, but because most of their criticized and injurious acts are performed under the stress of a business necessity stronger than all law. For a long time it was much the fashion to berate Mr. John D. Rockefeller. As a scapegoat he had his day and was succeeded by Messrs. H. H. Rogers, Harriman, Morgan, Morse, the Havemeyers and so on in a curious procession, each bearing for a time the sins of his

class and fading' from bad eminence to neglect and then again to respectable obscurity. Some persons high in authority have desired the condign punishment of these. How foolish that seems! They are no more responsible for facts than are you and I. They did not put Business in control of things, nor originate the system that has had this result. Yet so maudlin a project as the visiting of social ostracism upon their heads has had the unctuous support of the president of Yale University. Is it strange the rest of us go astray when Gravity thus plays at cherry-pit with Nonsense?

In good sooth, friends and brethren, the sum total achieved by all the reformers of this generation and by all the reform work is no more than this—that they have made us think. Before they began, we accepted as irremediable certain obvious conditions; now we are not so sure they are eternal. Believe me, in all seriousness, and without the least exaggeration, this is all. No one can show any other result. Let us tilt never so valorously against the windmill sails, to this hard fact shall we come at last.

Business rules us, not because of the will of any man, nor of all men, but because it must rule or cease to be.

The reason why it rules and the reason why at present it must not cease to be are matters into which the Insurgent, the reformer and the half-way radical seem never once to inquire. And yet these reasons are the foundation of the whole matter and in the impending political upheaval no man can act or vote intelligently unless he perceives that foundation. It is this:

At present Business is the means and the only means of supplying man with the things he must have to live.

Business prepares and brings to us food, clothing, the means of artificial light and heat; it furnishes us with shelter and transportation; it is the vital and indispensable engine of society. Man, under the existing system, absolutely must have it; and that is why every attempt to interfere with it has been a failure, why in spite of all outcries against it the strength of it waxes upon us, why it controls and must control the Government, why no change in party administration can affect it, why it overmasters one party as readily as another, why it goes on its way regardless of all laws, why it is the supreme arbiter of the nation.

It is man's present source of supply.

Admit all the evils of the present situation, the

corruption, the perversion of justice, the practical dictatorship of the Interests. Yet this fact remains that Business, of which the Interests are an inseparable part and expression, is at present the sole means of supplying man with the necessaries of his life and in the face of that fact all campaigns against it are obviously doomed to failure, so long as we retain the present system.

CHAPTER VI

THE ALLIANCE BETWEEN BUSINESS AND MUNICIPAL GRAFT

IN the present stage of evolution Business is therefore the primal necessity of society. You can not apply man-made laws, constitutions, nor fine-spun doctrines to the primal necessities. A ship-load of starving castaways would not stop to consider nicely about points of ethics if they came upon somebody's box of biscuits. You would not expect them under such conditions to debate much about the rights of property or adjudicate nice points in the ethical code of reform. Without hesitation you would say that they must first have food and they could determine afterward about the owner's position. So man must be fed, clothed and sheltered; later, we can talk with him about the constitution and ordinances relating to land under the sidewalks.

This is why it is perfectly right, reasonable and just that the object of government should be to make Business prosperous, and equally right that government should be Business and nothing else.

Government can not possibly have a better purpose than to provide well for Business. About all this we have — let us give thanks! — outgrown a lot of nonsense. We used to think that the object of Government was to further some strange fantastic thing called statecraft, and to enable certain mysterious gentlemen to prance about in foreign courts, to pose and juggle and lie and make futile movements on some invisible chess-board, to live at the public expense and ride in state and look solemn and important about nothing. In times still more remote, men thought that a king and his fat mistresses were the proper Government, and that what some stupid prime minister thought about Zanzibar or the Gold Coast was of some human importance. Now we begin to perceive that nothing is of any real importance except Business; because upon Business depends the bare and primal life of man.

Well — but why now more than in the old times? These old fussinesses that used to primp and stalk about the halls of government and play the dull games of statecraft were wont to decry "Trade" and deride it; and now, behold Trade is not only their master, but with great heartiness — and good judgment — is kicking them off the premises. Why this great change?

Why, because in the old days individual man either supplied his own wants with his own resources, or got his supplies from other individual men. Hence, he was not dependent upon Business. If he needed a pair of shoes he got them from a man that with his own hands and his own tools fashioned the shoes complete. If he needed clothes the tailor supplied him; if he needed meat his own bullock was slaughtered, or he purchased from his neighbor, the butcher, who with his own hands and his own tools slaughtered bullocks. So it was with all of his necessities.

Interference with any one of these sources of supply meant literally nothing to men in the mass; one butcher more or less, one baker more or less, was nothing; the supplies went on unchecked. Man was fed, clothed and sheltered, no matter what laws you might enforce upon any individual shoemaker, tailor, or carpenter. Moreover, the supply of work — that other great primal necessity — was not affected; the closing of one shoemaker's shop threw only one man out of work; the enforcement of a law upon one butcher shop affected but the one butcher.

But steam came, and then machinery, and abolished practically all of this condition. The individual as a source of supply largely dropped

out of the equation. Man's supplies began to be furnished by great organizations steadily growing greater, better equipped, more efficient, more necessary to man. He began to get his shoes from enormous factories, controlled by a single corporation, employing thousands of men that were not skilled and independent artisans, but minute bits of an incalculable machine. His clothes were made by machinery; great contracting firms supplanted the individual carpenter; the Beef Trust supplanted the individual butcher; transportation became an articulated system indispensable to daily life, consolidated and conducted by the minds that dominated other supplies. To lay hand upon one of these institutions was to menace the primal supplies of millions and to deprive many thousands of their necessary work.

Organized Business had begun to assume the responsibility of feeding man, clothing him and sheltering him. At last the time came when man had practically no other source of food, clothing and shelter except Organized Business, which thereupon, necessarily, and not because of the craft or wickedness of any individual or group of individuals, and not because of any volition or design, became the Government.

Under the existing conditions there was nothing else to be expected.

If you are willing to abandon platitude and airy imaginings and come down to bare truth, here you are. We are dealing at last with actualities.

As soon as we stand upon this unassailable rock all the mysteries become clear. It is not because we are of any worse morals than other nations that we submit to the corporation; it is because, having gone farther than other nations upon the road that all must travel and are now traveling, there is at present no recourse. We have carried organization and efficiency to greater lengths than the rest of the world; we have done more to concentrate production and eliminate waste; we have better organized our supplies. Our general feeling, not expressed but well understood, is that these supplies are the paramount necessity and that Business must go on, and this feeling is quite just. We are not indifferent — as the foreigners think we are — when unpleasant facts are disclosed about our present situation; when we are shown that the railroads select our judges and corporations buy laws or nullify them. But being pioneers along this road, we have not yet been able to see how these absolutely neces-

sary supplies can be had in any way but the present way. Therefore we do what we must do before the face of tremendous evolution.

In view of these facts here bluntly stated, any rational mind can see how absolutely futile any attempt will be to restrain or regulate Business against its will or its necessities. You might as well think of legislating against the force of gravitation. If, fair gentlemen of the Regulative School, you can devise a plan whereby man can live without food, water, clothing, shelter, or work, you can reasonably think to interfere with Business. Until you do hit upon such a plan you must leave Business alone, because under the present system Business is man's indispensable source of life. Yes, leave it all alone and every phase of it to work out its own destiny; railroad rebates, watered stock, extortionate rates, Congressional valets, legislature boot-lickers, corporation graft and all the rest. Laws, elections, reform movements, committees, chatterers, good government clubs, wise gentlemen from the colleges, social experts, theories, preachments, editorials, appeals to moral standards and the rest are very idle. To try with such things to change the course of Business is trying to harness behemoth with a pack thread. Business will break through them all,

whenever and wherever they get in its way. And this again is right and as it should be, because the function of Business — organized, modern, efficient, intelligent, alert Business, is to supply man with the things he must have that he may live.

The only question is whether for its own sake Business is, at present, quite wise. There is no question that it can at all times do what it wants to do. The only question is whether it is always moved to do the thing that is wise for itself; not for moralists, reformers, chatterers or gabies, but wise for itself and its own welfare, which, in the present stage of evolution, is the only important consideration.

And that is the very point I have been steering for from the beginning. The question is whether this Business Government of ours is for its own sake and its own welfare as wise as Business ought to be. It is purely a question of fact.

Let us see. We had in this country in 1909 several elections in which Business for its own interest chose to take active part. Any one of them would be instructive for study, but I suggest that we take the election in San Francisco, because there the case was the plainest and straightest. We shall, if you like, take note of just what Business

did in this one election, and why and how it participated.

For seven years San Francisco had been distracted with a bitter warfare against municipal graft, bribery and corruption, each in its own kind shameless almost beyond belief or precedent. At the city election of 1909 the end of the contest, waged with great fierceness and candor, was the utter rout of reform and the triumph of graft.

In the course of this warfare Business changed sides. At first it fought on the side of reform, and then, of course, reform won all the battles. It abandoned reform and went over to graft; thereupon graft achieved the final victory.

For its change of attitude Business had several reasons. In the first place, it was led to believe that it was being injured by the war on graft. Next it was moved by a class feeling because members of the Business caste were included among the persons attacked. Next it allowed itself to be fooled by controlled newspapers and some very cheap and nasty lies. Finally it allowed itself to be manipulated by gamesters that had no real part in Business, but used it for their ends just as they used murderers, kidnappers, liars, dynamiters, burglars, yeggmen, sure-thing men, gum-shoe and second-story workers and plain thugs.

Usually Business is fairly wise. Perhaps it was wise here, and perhaps it was not. You can tell better when you have reviewed the facts.

I take it you are familiar with the outlines of the war on graft in San Francisco; how it was begun by one newspaper, the San Francisco *Bulletin*, and practically by one man, Fremont Older; how it was at first directed against the public officers that had betrayed their trusts, and against Abe Ruef, the little boss that had been the broker of graft and all uncleanness; how these were persons of the lower orders; how Francis J. Heney, a prosecutor of unusual intellect and character, was brought in to lead the forces of reform; how he was assisted by William J. Burns, a detective genius; how these men turned up bit by bit the whole monstrous story of the open sale of legislation, the story of bribery reduced to a system and science. You know how some of the criminals confessed, and some, after long, dogged legal battles, were convicted. Schmitz, the labor mayor, was by a Supreme Court decision freed from his sentence. Ruef, his master in corruption, was convicted after astounding revelations of villainy, and at the time of the election was in prison.

Loud applause followed all these triumphs of righteousness. So long as the prosecution was di-

rected against Schmitz, Ruef and the supervisors, who were only bribe-takers and persons of no consideration, Business heartily approved. Heney was a hero. Burns was a hero. Older was a hero. The community demanded that these heroes march on and convict more bribe-takers. When, as a culmination of a long series of black crimes, the criminals shot Mr. Heney down in the court room, men were ready to lynch the assassins. While the wounded man's life hung in the balance, the community thought of nothing but his courage and sacrifices and devotion to duty. He recovered by a seeming miracle, and resumed the work that had almost cost him his life. Not only San Francisco, but the whole country applauded. Declaring that the rich bribe-giver was as bad as the poor bribe-taker, he started to punish those whom he held to be bribe-givers, and the situation was totally changed. He was no longer a hero, but a public nuisance. Burns and Older were no longer heroes but bad and dangerous men; and the cry became insistent that the prosecution had gone far enough.

Now a community is not brought easily to reverse itself on a fundamental question of right and wrong; no American community is prone to declare graft, plunder and lawlessness to be good.

We ought to consider carefully how this community was induced to endorse such a doctrine, because this is the gist of our whole story, and a perfect illustration of all we have been saying about the free press myth and the methods by which public opinion is manipulated and controlled.

The most conspicuous of the respectable men involved in the graft scandals was Mr. Patrick Calhoun, head of the street railroad system of San Francisco, directly implicated by Ruef's confession and indicted on thirteen counts. Mr. Calhoun is a perfect type of the American business aristocrat, a noted captain of industry, a descendant of John C. Calhoun, with all the pride of family as well as the pride of wealth. He does not own the San Francisco street railroads, but directs and controls them for a certain great syndicate of American and European capitalists that owns the traction systems of several American cities, and constitutes some of the most powerful interests in the country. The ramifications of this syndicate extend into unsuspected regions, and involve enormous enterprises, including banks.

Mr. Heney was a vigorous prosecutor. Mr. Calhoun, being indicted and menaced with trial, was naturally desirous to avoid further prosecu-

tion. The term of office of District Attorney Langdon, who had employed Mr. Heney, was about to expire, and the logic of the situation required that Mr. Heney should be nominated as his successor. If he should be elected he would certainly strive hard to send Mr. Calhoun to jail; if he should be defeated the Calhoun indictments would be quashed. The Interests back of and associated with Mr. Calhoun earnestly desired that he should not be tried. From the Wall Street headquarters of the Interests radiate a thousand wires that reach every corner of the country. The Interests gave a pull on these wires and immediately the puppets on the other end began to dance.

The chief nerve centers of Business are the banks. From these and other influential sources the word was handed through Business that Heney's prosecutions were hurting San Francisco, and he was making things bad for Business — that talismanic phrase more potent than any other in the language. Conditions in San Francisco were rather peculiar; naturally the new city arising with such vigor from the great fire had been somewhat overbuilt; there were for the time being more offices than tenants. For this reason men were the more easily persuaded that Heney

and not their own faulty judgments were responsible for the stagnation. Heney was injuring Business because he was giving a bad name to San Francisco and thereby keeping away people and capital. That was why the offices were not rented, why the rebuilding seemed to lag, why men were out of work. It was all Heney and these graft prosecutions.

Men do not reason closely about such a proposition, particularly when it is set forth daily and with apparent fairness in their favorite newspapers. Hence no one stopped to inquire why the deadly influence of Heney was never felt until he began to prosecute the rich. So long as he confined his attention to former saloon-keepers and low-browed persons, San Francisco went its way unscathed. When he menaced the eminent, prosperity fell away. That was the substance of the proposition. San Franciscans have ordinarily a ready sense of humor, but in this case it singularly failed them. If they had perceived the absurdity they were invited to endorse, they would probably have laughed it to death.

The idea that Heney was hurting Business was persistently and adroitly furthered through the press and otherwise. By a system of fault-finding and insinuations he was slowly discredited.

He was accused of urging the prosecutions in a spirit of malice and for the sake of money; he was described as unscrupulous, extravagant and insincere. Attempts were made to show that he browbeat jurors and was of violent and unseemly methods.

The expenses of the campaign against graft had been chiefly borne by Rudolph Spreckels and James D. Phelan. Mr. Spreckels, a rich man, was very conspicuous in the fight. He was accused of going into it for reasons of personal spite because he had organized, so it was said, a rival street railroad company, and had been unable to secure a franchise. He was also called a dictator and a boss. Men asserted that he had dismissed one chief of police and appointed another, although he had no office nor warrant to interfere in the city's affairs. To put upon Mr. Heney the useful opprobrium of a phrase, it was said that he was "Spreckels's man," that Spreckels had hired him at great expense to secure revenge for that lost street railroad franchise. Even men that assumed a just wrath against all unrighteousness were wont to shake their heads and say that there never had been a good cause so ruined by mismanagement and selfish ambition, and to declare that Heney and Spreckels had so spoiled everything that no course

was open but to abandon the whole matter. "People are sick and tired of these prosecutions," was a comment industriously spread; "Heney bungled everything so that no conviction will stick."

For most of this campaign the newspapers were directly responsible.

They had, however, powerful assistance from eminent sources, and these not alone in San Francisco. Before he came to San Francisco, Mr. Heney had been engaged in Oregon in behalf of the Government in prosecuting the great land frauds in that State, in which work he had already antagonized certain Interests much involved in the frauds. To discredit him in San Francisco the falsehood was started that he continued to be carried on the pay-roll of the National Government. This point happened in some way to be raised in Congress, which, one might think, was not conceived in a purely local contest. Whereupon the Associated Press carried about the country an impression that did great harm to the prosecution, and great injustice to Mr. Heney, for it was immediately utilized in San Francisco to impair his standing before the community.

As for the manner in which the newspapers were brought into line and made to assist in this work, I will give an illustration affording a much

better idea of the present situation of the American press than one could gain from any description. I have previously reminded you that for their incomes newspapers are now dependent upon their advertisers, and that a great part of the display advertising comes from the department stores. You should put next to this the fact that the banks of this country, even when they have not the same ownership, are closely allied and knit together by bonds of common and business interest; so that a great bank in New York, if it pulls the wires, can have puppets dancing to its will in many places. Bearing this in mind you will perceive the true significance of this incident.

x The one newspaper of San Francisco that continued to denounce graft and encourage Heney was the *Bulletin*. The Interests desired to cripple and punish the *Bulletin* and to reward the newspapers that did their will. All business houses are dependent for money supplies upon their banks. One day in the height of the conflict the head of a great department store, which is also a great advertiser, stepped into the bank where he kept his accounts and wanted \$100,000. It is one of the most famous banks in the West, and directly connected with the Southern Pacific Railroad, which is connected with the Standard

Oil, which is connected with about everything else that makes money.

The president paused and hemmed and hawed.

"You know, Mr. X——," says he, "money is very scarce in San Francisco."

"I suppose so," says Mr. X—— carelessly.

"Very scarce," says the banker, "and we are making no large loans except to our personal friends."

"Oh, well," says Mr. X——, "you and I have been friends for many years."

"Yes," says the banker, "but if I let you have this money it will be on the grounds of personal friendship, and I shall ask you to do me a favor in return."

"What is it?" says Mr. X——.

"I see you advertise in the *Bulletin*."

"Yes."

"The favor I ask is that you take out your advertisement there. That paper is injurious to the best interests of San Francisco and of Business. We are not disposed to assist houses that advertise in the *Bulletin*. Advertise in the papers friendly to Business and we shall be glad to help you."

Mr. X—— explained that he advertised in the *Bulletin* only for the sake of the trade he thus se-

cured. In the end they reached a compromise by which Mr. X—— reduced by three-fourths his advertisement in the *Bulletin*, and on these terms he got the money.

We should note here that this bank had no direct concern in Mr. Calhoun nor Mr. Calhoun in the bank. It was merely brought into action by the wire pulled by the Interests, which were determined that Mr. Calhoun, being their representative and ally, should not be prosecuted. Second, that as every business house is dependent upon its bank, and every newspaper is dependent upon the department stores, here is an incalculable power placed in the hands of the Interests. These pull the bank, the bank pulls the department store, the department store pulls the newspaper, and the newspaper makes its readers believe that Mr. Heney is insincere, or a faker, or incompetent, or that Mr. Spreckels wants to get a franchise for himself. The readers go to the polls and vote against Heney. Heney is defeated, the graft prosecution comes to an end, and the wide-open policy is adopted for San Francisco.

That is the way the thing is done. It is no longer the editorial in the newspaper that achieves the result; it is the tainted news, the twisted statement, the news story so skilfully compounded of

falsehoods that the reader can not detect them. He thinks he is reading of facts and events; in reality he is reading contrivances inspired by the business office, which is inspired by the department store, which is inspired by the bank, which is inspired by the Interests, which are determined to save somebody to-day and may as easily determine to convict somebody to-morrow.

The Interests also availed themselves of another more sinister and more deadly agent, the appearance of which in such a contest is far from reassuring. I mean the power of the whispered word. Slanderous stories were circulated about Mr. Heney's private life. These were never printed, because if once printed they would be exposed and destroyed, but they were diligently passed from person to person. It is to be noted that men that attack Privilege have usually been the victims of this kind of revenge, but not usually made in this subtle and skilful way. As to the coyote warfare made on Mr. Heney, let me say here that investigation of the story circulated in San Francisco against him shows that there never was a more baseless and detestable invention. The mind that conceived it is unfit for association with normal men.

By these means, and some others, including the

hoodwinking of labor men, the Interests won and Mr. Calhoun was saved from a second trial. Among the champions of reform throughout the country, the result caused profound regret, and San Francisco was held to be a sinner above other cities, because the choice offered her between right and wrong, between the wide-open and the anti-graft policies, was so plain, and she had cast in her lot with the swine. Much of this comment was bosh. San Francisco is no more immoral and no fonder of evil than other cities.

The fact seems to be that at present by the like methods any election can be carried anywhere at any time for any person or any cause. Nothing else is so important to you as this fact, because in it lies the story of the tremendous revolution that has taken place in our form and methods of government, and the indication of the new and utterly irresistible force now in control. Therefore I repeat it. Under the present system and conditions any election anywhere can be won at any time by the methods that defeated Mr. Heney.

We return now to the question whether in taking sides in this campaign, as in defeating Johnson in Cleveland and reform in Philadelphia, Business was really wise or unwise. The question is of very much wider significance than it seems, be-

cause it leads to the other questions whether Business is sufficiently enlightened as to its own interests and how much longer this system can endure.

Experienced observers seem to agree that for the time being, at least, the wide-open policy of a free rein for vice, and tolerance for graft and official dishonesty, is good for Business. It makes agreeable showings in the daily balances. Something is also to be urged in excuse for the feeling of class consciousness that moved the San Francisco men to resent an attack upon a member of their own caste. The caste feeling is deplorable, no doubt, but it is steadily growing among us, and to expect one class to be without it is to demand too much of human nature. But the trouble with Business is that so far it seems unable to see an inch beyond its daily balances and its class boundaries, and that is a perilous fault. It must arrive at a point whence it can look well ahead; not because of any moral obligation so to do, nor because of any laws, doctrines, lectures, philippics, or fulminations, but because otherwise it will hurt itself and hurt us and go to smash. It will be obliged to consider not only to-day's balances but to-morrow's and next year's, and also whether twenty years from now there will be any bal-

ances to speak of if we hold to our present course.

Nothing is so foolish as to tell Business that it ought to be good. Evolution will take care of that. So long as Business remains as at present constituted the one source of man's supplies, it will proceed in its own way without regard to precepts, and its own way will be the way indicated by conditions and the existing system. When the system of providing man's supplies is changed, Business will be changed.

Yet we are well entitled to point out that under the existing system and by reason of it, Business takes sometimes a short-sighted view even of its present interests. For instance, the vice and graft alliance, although it enhances the day's receipts, does not really pay in the long run. You can not in any city have a wide-open policy without very great waste. That is inevitable. If you sanction graft in one way you sanction it in all ways. Booming Red Light districts mean a lax city administration with loot of the city treasury, dirty streets, bad pavements, reckless appropriations and a municipality down at the heels. Inevitably and always it means just this. In time all these conditions react upon Business. The game is not worth the candle. Taxes and bond issues in-

crease, dust from the dirty streets injures goods and spreads disease, the bad transportation service keeps customers away, the stolen assessments multiply on your heads. Eventually all these items turn the balance the other way. And when you come to taxes and debt interest, abnormally increased directly or indirectly by graft, you touch upon a subject so pregnant with evil to Business that Business for its own sake might very well overlook all else and fix its attention upon this phase alone.

And again, when we come to the matter of class feeling, for Business to give rein to that seems very questionable policy. The fact is, brethren, that sort of thing always cuts two ways. If we band together to secure the escape of an accused member of our caste, we may be sure that other castes will do likewise, and the next thing will be a chaos bad for Business as at present conducted. Business is too big, too important, too broad, too national to entertain class prejudices. Business is the Government, and Government can not well discriminate among the occupations of its people.

Taking a broad view of the situation, the only really important man in the community is the Man at the Bottom — the only important man to Business or to anyone else if we are to keep on as a

nation and not go to physical decay. The worst enemy of Business is the Slum. About eighty-five per cent. of the people of this country are classed by the sociological experts as poor or very poor. Whatever tends to increase this sum of poverty strikes in two ways at the heart of Business. It interferes with consumption and it interferes with production. Nothing could be worse.

One way by which poverty is being steadily increased among us is through the tax burden. Taxes, of course, are paid by the ultimate consumer. The burden of increased taxation falls lightly on the well-to-do; by the time it has reached the poor it has grown to a size grievous in itself, and still more grievous in proportion to the incomes affected. The tax is not levied directly upon the poor; most of the poor are unaware that they pay it in their rent and in everything they buy with their scanty wages, because the original tax is passed along to them from hand to hand, each hand laying on something additional for profit, until it lands at last upon the wage-earners, who can pass it to no one else, but must pay it. That is the real reason why taxation is such a serious matter to Business, and why, since it is now become the Government, Business ought for its own sake alone to conduct the Government on

the highest plane of efficiency, eliminating all waste. It can not afford the impoverishment of the majority of the people, because — for one reason of many — as fast as you impoverish them you reduce their consuming power.

The wide-open and wasteful policy of city Government works incessantly to spread poverty. Every dollar stolen or wasted by the Tammany or Schmitz or Philadelphia style of municipal misrule must be paid by somebody. The well-to-do pay little of it because they can usually pass it along — with interest — to somebody else. The poor can pass it along to no one; they must pay it with the accumulated interest. And since the slums are growing visibly upon us, and the state of the people in them gets worse, and the amount of poverty shows every indication of steady growth, Business will be compelled to face this condition very frankly and deal with it, or else see its opportunities fade and the Government it conducts end in a colossal failure.

There are no two ways about this. You can not achieve national success with a race of tenement house scare-crows, and you can not sell goods to a population that has no money to buy withal.

Hereafter I purpose to go farther into this vital matter and show what impends for present-day

Business if it continues to neglect its true interest for the sake of the daily balance sheet. Just now I wish only to call attention to one great and convincing illustration of the processes at work around us.

In the last twenty-five years England and Germany have entered upon a desperate duel for the commercial kingdom of the world. At the beginning England was everything in international commerce, and Germany was next to nothing. Now, to speak quite plainly, Germany, fighting with skill and tenacity, is the assured victor in the battle, and England is going down to defeat. How did Germany manage to make such a marvelous showing in this tremendous conflict?

The secret of Germany's success is no secret at all to those that know the relative condition of her working population and England's. England has allowed the slum to take care of itself and the slum has turned upon her and eaten out the heart of her strength. The real strength of a nation is not her banks, palaces, rich men, armaments, guns, battleships, splendors, Park Lanes, royal state, pomp and circumstance: the real strength is her men that work with their hands. That is her only asset worth talking about; her physical condition depends upon their physical

condition. England has allowed her working populations to deteriorate in slums; Germany has labored to abolish the slum and to rear her working populations in the full measure of health and vigor. When the two working populations clash in the commercial battle, down goes the English line.

These are facts, not theories; there is no room in this discussion for any theories. A generation ago the steady advance of the Socialist party of Germany forced upon Bismarck a certain broad policy that had for its object the care of the working people. Once started upon that line, the Government greatly improved and enlarged its plans. Old age pensions, accident indemnity, sick benefits were added to rigid regulation of dangerous employments. The Government strenuously endeavored to secure a condition in which the German workers should be housed in comfortable, sanitary dwellings, should have good food and pleasant surroundings, and their children should have every opportunity to be healthy and intelligent. As a consequence, the German workingmen maintained a normal consuming power, while in production they were strong and efficient. Being assured of support in their old age and in sickness or when injured, they lived more com-

fortable and rational lives, and their way of life was reflected in their physical stamina. Therefore the average German workingman was well fed, sturdy, healthy of mind and body.

“Every man for himself,” was the essential of the English policy, as it is, so far, of ours. The process of centralizing the sources of supply drove the English people into the cities where they swarmed in huge slums, while the Government went its way and disregarded those that gave warning of the results of this policy. The third generation of such conditions has its perfect flowers in the wretched race that inhabits the poorer regions of London and of every other English city — a race with chalky bones and impoverished blood and feeble minds; and again its sources of natural weakness in millions of working people only a little better off.

Therefore, when it came to grapples between these forces so ill-matched, there could be but one result. England, with its eight million people on the destitution line or below it, was in no condition to compare with the sturdy legions of the German workshops. Some day it will come to grapples for commercial supremacy between the United States and Germany and between the United States and Japan. If we have then a great work-

ing population dwelling in hideous slums, ill-fed, reared in degrading environments, with bodies stunted for lack of light and air, with minds stunted and distorted in the tenement house, we shall go England's road to the bottom. Slum consequences are inexorable as well as un pitying. Our defeat will be, on sentimental grounds, a hard blow for patriotism. For Business it will be something far worse, because for Business what is involved here is a matter of life and death.

The best is none too good for Business — the best of everything, the best of ideals, the best and highest standards of humane policy in this Government of ours it has assumed. Only the very best will keep it and us off the rocks. To preach at it that it ought to do certain things because these things are prescribed in a code of morals, or to threaten it with law, dissolution, fines and other punishments, is to waste our good time. If it goes down dark alleys after vice and graft alliances, or arm-in-arm with San Francisco and Philadelphia rings, and if it continues to let poverty pile up, it will learn in time that these things do not pay. But whether it will learn this fact before it gets crumpled up by a nation where Business is wiser, or before it declines at home among a nation of slum-dwellers, nobody knows and evo-

lution does not care. That is one beautiful thing about evolution: it does not care a rap and has no prejudices about race or nationality. If the people of one nation desire to get — for a while — outside of its lines, it works on cheerfully in Germany, New Zealand, Denmark or any other old country. And after a time a fold of the stratum topples over upon the reversionary spot and crushes it out forever.

Moreover, in all these considerations we need not lose sight of the fact that the really important thing is that man should be supplied with the necessaries of life. The present system of organized Business is a means of such supply, but it is not the only conceivable system. There are other ways of securing our supplies if the present way fails to meet our requirements, and before we are through with this subject we shall have a look at one of them.

CHAPTER VII

BUSINESS AND THE SLUM

PHILIP ARMOUR, founder of the great Armour interests of Chicago, captain of industry, financier, merchant and so forth, died in 1901, leaving his vast concerns to the care of his son Ogden.

To Ogden Armour, then, life, as he understood life, showed three possible ways for his pursuing. He could sell the business, take the proceeds and fat out his days in sloth like a prize ox. He could neglect the business for idiot pleasures until with shame he should be ejected from his command. Or he could follow his father's example and policies, and by skill, energy and self-discipline prove himself worthy of his inheritance. For his father he had profound filial affection and respect; he had been carefully trained to carry forward the business when his father's hand should cease from the control; the world, which has but the one standard of success in life, looked upon him curiously to see in what manner he should acquit himself of his stewardship.

Situated as he was, which of these three courses would you have chosen?

Chosen? There was no choice. Unless the young man were willing to part company with his self-respect and go lonely through life, he could do but the one thing; he could but press forward with utmost diligence upon his father's path.

To be sure. And this is what he has done. I am not likely to be accused of any too cordial sentiments toward the Armour family, but no one can deny that this young man has been diligent, able, faithful in the discharge of his responsibilities, and in all ways fulfilling the precepts so long showered upon American youth. He is industrious and sober; he arises early, he toils unremittingly, he gives to the work in hand the full measure of his faculties. According to his light and his training he has been, I make no doubt, perfectly conscientious; and, even in those respects in which he has been criticised, I am quite willing to admit he has on the whole done nothing that the conditions of Business did not compel him to do.

Then please take note of the results. Philip Armour left a fortune of \$50,000,000. In ten years, by the faithful following of his methods, this accumulation has grown to \$300,000,000. At the same rate of increase it will be in another

ten years almost twice the present fortune of John D. Rockefeller. In fifteen years it may approximate a sum greater than the amount of money now in circulation in the United States.

Ogden Armour could not logically let go of the machine; going on with it in the only way open to him, it is building under his care one of the most colossal fortunes in the world.

I cite this illustration at the beginning that we may not fall into the national habit, and blame individuals for conditions that no individual can change.

For let us suppose Ogden Armour to have been differently minded; suppose he had chosen to be a prize ox or a society idiot, instead of a man of action — what then? Why, even then the enterprise as a totality would have gone on in practically the same way. It would have passed into the hands of the Swift boys or of some other able managers, and they would have done about what Armour has done; not because they wanted to do it, but because it was demanded by conditions. The enterprise could not stop. Its function was to supply men with certain things that men must have. If it should fail to supply them in the way demanded by existing conditions of trade, at once another house would take its place, follow the

lines indicated by conditions, the house of Armour would be trampled over and forgotten, and the machine would drive on.

Yet we should also note that the great fortunes manufactured by this machine are not expressed in heaped up and hoarded gold, but in vast, articulated enterprises, all engaged in supplying millions of men with the primal necessities, including the necessity of work. The profits of the Armour packing-house are reinvested in railroads, elevators and banks and the profits of railroads, elevators and banks are and must be invested in other enterprises, likewise profitable, until the mind is dazzled to follow the potentialities of such gains. Without the least volition on their part, the men that control these profits must either stand to the engineering of a steadily enlarging field of operations, or surrender the control to others that will do the required work. And again, without the least volition on their part, the men that control the primal supplies will, under the present conditions, infallibly control the Government, which is only an instrument in the process of such supplies. Many of us do not want them to control it — no! But just as certainly as hunger is a more important consideration than the rules of the House of Rep-

representatives, these men were destined to seize the Government in spite of our opposition.

And further, the same conditions will produce more consolidations, more organization, more concentrations, more Ogden Armours, more economies, more elimination of waste, more banks in the one combination, more chains of drug stores owned by one company, more hotels with the same proprietorship, more restaurants under one control, more huge department stores, more mail-order houses, more amalgamation of factories. What then?

I suppose that no one capable of reflection believes that these developments will stop where they are, or that they can be checked, restrained or diverted by such gossamer and foolish things as the Sherman law and the like. When in November last we got from an eminent court against the Standard Oil Company a grand endorsement of that childish statute, was the Standard Oil Company affected in the least? Hardly. It merely announced that if the adverse decision were sustained it would change its method of bookkeeping, and proceed with its essential operations exactly as before.

Anti-trust laws! They are the world's peren-

nial jest. They exist only to brighten our days with innocent and wholesome laughter.

But there are some impending consequences of these consolidations that are not for mirth, but for most serious reflection in quiet hours (supposing that we care also for that employment), because they happen to mean more for us, nationally and individually, than anything else we shall hear discussed this year.

Consolidation and concentration are inevitable, but so far, in this country, they have been attended always with a huge increase of capitalization, the greater part of which represents no investment, but illustrates the extent to which the earning power of an enterprise can be pushed.

Thus the steel industry of the country is now capitalized for at least four times the amount of money ever invested in it; the railroad industry with eighteen billions of capital represents not more than eight billions of investment; and so on without exception through every organized industry. Nor can this form of capitalization be prevented, restricted or even justly objected to. The property capitalized has a certain earning power; its owners have a perfect and unassailable right to capitalize that power; if they can not capitalize it, they can not in any way possess it, nor enjoy

a value that really belongs to them. If they can not possess and enjoy what is theirs, then what is theirs is in effect confiscated, and the Constitution, upheld by innumerable court decisions, expressly forbids such confiscation.

Therefore every stage of this process is abundantly justified by the highest law, and in the present stage of Business evolution it is also necessary and right.

Good. Only, as we observed before, there are certain aspects of this process that are not reassuring. We may not have thought much about them, but if we ever begin to consider them we shall come upon very startling conclusions.

For instance, the automatic and unfailing effect of this process is to increase the cost of living. How about that?

It steadily increases the cost of living, but for the great majority of people it does not increase incomes. How about that?

In the last fifteen years the average cost of living has increased sixty per cent., but during all this period average wages and salaries have increased less than twenty per cent. How about that?

Suppose the process to go on for a few more years at the present rate. Then the only possible

result is a vast, impoverished, underfed, servile population, similar to the people now living and starving in the east end of London, similarly inefficient and similarly fatal to national progress.

To make sure that no part of this is doctrine or theory, but all merely facts, let us take a look at a detail of the machinery silently at work all about us to produce these results and these only.

About twenty years ago the right of way of the Northern Pacific Railroad was worth \$50,000,000. It is now worth \$175,000,000. Six years hence it will undoubtedly be worth \$300,000,000.

This increase of value over \$50,000,000 is represented in securities. That is to say in stocks and bonds, on which interest and dividends must be paid; stocks and bonds to capitalize the increased value; to make it real and tangible.

This is not merely a legitimate issue; it is absolutely necessary. Without it the increased value of the right of way can not possibly be realized, and is lost to its owners, who have an indubitable right to it.

To secure the money to pay interest and dividends on these securities, the revenues of the road must be increased.

Here again, to increase this revenue under such

conditions is not only legal, right, just and endorsed by the highest courts, but as a matter of fact it is necessary. The railroad has no choice.

Increased revenue can be obtained only by increased charges or by impaired service, the one being to the public about the same as the other.

Primarily, the increased revenue is paid to the company by the shipper. But the shipper is not the person that really contributes the increase. The shipper merely passes the charge along to his customer, necessarily with another charge added for time and labor. By the customer the charge is passed along to somebody else, and it thus goes from hand to hand until it reaches the ultimate consumer, who pays all.

Things are so arranged that this burden falls most heavily upon those least able to bear it—workingmen and their families, and the poor in general.

This is because by the present scheme of distribution products consumed by the poor usually pass through more hands than products consumed by the well-to-do, and because the poor can buy only in small quantities. For example, the well-to-do buy flour by the barrel, the poor by the pound. An increase of twenty-five cents a barrel in the flour rate from Minneapolis to New York

means an increased cost of perhaps forty cents a barrel to the well-to-do. By the time it has reached the poor, who purchase by the pound, the increase may be two dollars a barrel.

These, of course, are but isolated illustrations. To get an idea of their meaning we must multiply them into practically everything that people consume.

Likewise we must multiply the case of the one railroad into almost every other enterprise that supplies any need of the public.

For example, the United States Steel Corporation, commonly known as the Steel Trust, capitalized the iron and steel industry of the country at more than a billion dollars. No one pretended that the plants and businesses combined in this great enterprise could be sold separately for one-third of that sum. Yet, combined under one management, they could be made to yield the current rate of interest on a billion dollars and more; consequently they were actually worth a billion dollars and more. Not only that, not only was here a value that might legitimately be capitalized, but by the correct laws of Business it ought to be capitalized, and must be capitalized. By no other way could the latent value of these properties be realized.

Yet, to be sure, the result of this capitalization was to maintain abnormal prices for iron and steel products, including rails, which have an important relation to railroad expenses, and hence to railroad tariffs, and hence again to consumers. None of these charges was paid by the first purchasers of iron and steel commodities. Such purchasers merely passed the charges to others, the railroads to their shippers, the building owners to their tenants, the storekeepers to their customers, until all the charges, augmented by each hand that touched them, landed upon the ultimate consumer, and (as always) most heavily upon the poorest.

Under existing conditions no one can reasonably find fault with this process of capitalizing values, and assuredly no power of law can stop it.

Business, which rules all, would not allow any extraneous power to interfere with capitalization, because capitalization is the indispensable adjunct of Business — its hands and also its heart. And in this position Business would be absolutely right.

Here, then, we come plump upon the extremely awkward fact (and it is purely fact, it has nothing to do with theory or doctrine) that Government by Business is likely to be very costly. We may

well doubt if any nation ever was, or ever can be, rich enough to support that cost.

Take note of the links in this chain of causes and effects; see if you can find a flaw in one. The present system of Business increases the cost of living but does not increase most incomes; increased cost of living without corresponding increase of incomes means increased poverty; increased poverty means increased slums; increased slums mean increased tax burdens; increased tax burdens are passed from shoulder to shoulder until they land at last upon the wage-earner and producer — beyond whom there is no one to pass them.

So that what we are really confronted with is an automatic device to make paupers. The evil starts, runs its course and comes back to where it started, with the net result of increasing poverty — and all the new poverty it causes immediately starts forth upon the same course to produce still more poverty.

The growth of poverty is therefore assured, and every increase becomes in turn the cause of further increase.

When we remember that already in the United States 35 per cent. of the people are poor, 50 per cent. are very poor, and only 15 per cent. are

well to do and rich, here is a condition to startle even the most careless mind.

We said, in running over our chain, that increased slums mean increased tax burdens. Possibly we have not thought enough of just how that comes about.

As a matter of fact, if you are in Business the taxes and freight rates that you pay are not important to you. What is important and of real interest are the taxes and freight rates that other people pay.

In regard to taxes alone, and leaving the freight-rate question to follow, obviously there are four ways whereby the slum levies upon the community a burden of increased cost.

It breeds crime and criminals, and these cause a great part of the cost of maintaining police courts, prosecuting officers, trials, jails and penitentiaries.

It breeds insanity and increases heavily the cost of maintaining asylums.

It breeds disease and increases heavily the cost of maintaining hospitals while it continually threatens the health of all the rest of the community.

It breeds paupers and the inept and those that are a charge upon the industrious.

The slum appears, therefore, as the greatest extravagance of modern life. It is a million times more destructive than are all the fires. It is infinitely worse than war. It destroys wealth and it destroys men and women. And as the present system of Business tends all the time to spread the slum, the slum's destructiveness steadily grows. The system makes more poverty; more poverty makes more slums; and the increased slums come around to help the system make still more poverty.

This is not (as some persons have so absurdly urged) because certain men in Business are bad men, but because the system, for which no man is responsible and no group of men, produces these results.

For all this, and for the statement that the slum is increasingly year after year a charge upon Business and the rest of the community, do not take my word, nor that of any other man. Go to the records; it is all there. Few of us pay much heed to them, and yet they are annually issuing to us the most portentous warnings. The assertion that the slum is costly and is steadily growing upon us is none of mine. It is made in the reports of the New York Committee on Congestion of Population and of the New York Charities Com-

missioner. In so many words the committee declares that the insanitary condition of tenement houses and the insufficient incomes of the dwellers therein transform themselves into heavy and increasing tax burdens for the city at large. On purely practical grounds it is clear from the committee's report that to tolerate slums does not pay. It is not good Business. It shows ill in the balance-sheet this year, and next year it will certainly look worse.

No matter how we may seek to evade or ignore it, there is the plain practical fact, independent of any theory, steadily developing before our eyes. It does not pay; it costs too much. Take for example the recorded experience of the New York Board of Health. For many years this very able body has made scientific war upon tuberculosis, not for reasons of sentiment, but for the very practical reason that we can not afford to have tuberculosis increasing upon us. Tuberculosis is a slum disease, very difficult to control, and easily and rapidly spread. At the present writing, after years of prodigious, conscientious effort and a vast expenditure, the Board of Health is calling for a special appropriation of \$5,000,000 to fight tuberculosis, and also for an issue of bonds to secure the money.

Five million dollars of bonds for tuberculosis — that is to say, \$175,000 a year to be added to the annual interest charges on this one account alone — added to the interest charges, therefore added to the tax levy.

Altogether, the Board of Health needed for 1910 nearly \$7,000,000 more than it needed in 1909, the increase being caused by the warfare with preventable diseases.

In 1908 public charities cost the direct taxpayers of New York \$28,349,572 in the maintenance of the city's own hospitals, in grants to private hospitals, and for the regular city departments of charities and of health.

For the sick that were a public charge the expenditures were \$11,141,592.

The Committee on Congestion of Population estimates that of this sum \$5,350,811 was spent directly upon cases that would never have existed but for the insanitary conditions resulting from congested populations — which is another term for the slums. The committee also estimates an annual loss of earning power of \$37,000,000 to \$41,000,000 through the disabling of persons that have been infected with slum diseases.

What is the judgment of Business concerning these losses?

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Even more appalling is the next fact, that these expenditures by the city increase at a greater ratio than the increase of population or the increase of the city's expenditures in other directions.

Please note this fact. It proves explicitly the contention (well supported in countless other ways) that both poverty and the slums are steadily encroaching upon us.

From 1906 to 1908 the ratio of increase in expenditures to fight preventable diseases was nearly double the ratio of increase in the whole budget, and from five and one-half to six times the ratio of increased population. This is shown in the following table.

Year	Population	Per cent. of Increase	Total City Expenditures	Per cent. of Increase	Cost of Un-necessary Disease	Per cent. of Inc.
1905 ...	4,014,304	...	\$110,525,259	...	\$3,401,662	...
1906 ...	4,152,860	3.4	119,144,370	7.82	3,933,077	13.58
1907 ...	4,285,435	3.01	130,421,505	9.47	4,824,344	18.42
1908 ...	4,422,685	3.10	143,572,266	10.08	5,350,811	9.85

And now the city is asked to issue bonds to provide for a still greater increase.

The Charities Commissioner says that the almshouse and public hospital population of New York City is increasing at the rate of twelve to fourteen per cent. every year, while the total population of the city increases by but 3 to 3.10 per cent. a year.

Almshouse and public hospital population!

That is to say, as we spread the slums we are making more paupers and invalids, and the additional paupers and invalids become an additional public expense, which becomes more taxes, which becomes an additional means to make more paupers and invalids.

Can we keep this up?

And we are to remember that this is only one phase of the matter, and, in the way of expenditures, not the most important.

Every year the cost of the police department, of the courts, of the reformatories and penitentiaries mounts upon us. Last spring it was my fortune to sit on the bench with several police magistrates and judges of the higher criminal courts. I watched the long lines of arrested persons coming up for examination, the other lines of convicted persons coming up for sentence. I had no need of the assurance of the magistrates and the judges that eighty-five per cent. of the cases came from the slums and from slum conditions; no need because the fact was apparent in the faces before me. To him that is at all familiar with the tenement house and its products, there comes to be a certain mark or brand by which the

products can always be recognized; the brand of pasty face and livid skin, lusterless eyes and sullen brows, narrow chests and shambling gait, things that come of life abnormally led in bad air, dark rooms and evil surroundings. On all of these occasions it seemed to me perfectly clear, as for years it has seemed to me clear whenever my work took me into the slums, that we are producing here in enormous numbers a peculiar and alarming type of the human creature, ill-fed, scantily blooded, ill-developed in mind as in body, deprived of the birthright of air, sunlight, joy and sufficiency, and with strange twists and turns in its stunted brain.

I noticed on all these occasions, as I had often noticed before, that the voices (sure index of the mental state) of these young men were strange and hardly human; that they had a language of their own, made up of animal-like sounds; that their facial angles and ears very often showed the indices of degeneracy. As a rule there appeared among them only a rudimentary sense of right and wrong; very often they were cruel, manifesting a kind of pleasure in giving or viewing pain; if they laughed it was in a brief, evil guffaw at something either brutal or filthy.

Even the youngest showed a savage hatred of authority; the policeman on the beat was his mortal foe.

Among boys of this order I have known some startlingly abnormal beings; boys that from an innate prompting thought with complacency of taking human life and looked upon crime as the normal career; all of these the products of the tenement house. The best detective on the New York police force assures me that there are at large in the city now not fewer than a thousand men and boys that have committed murder; and to one that has studied the East Side "gangs" and knows what they really are and really do, the statement will seem in no way improbable.

If there were only a few of such slum products, we should not need to stop to draw from them general conclusions; but the alarming fact is that they are not few, but very many; they tend constantly to increase in numbers; they are even now making the enforcement of the criminal law so difficult that the ablest police authorities can see no remedy but a huge armed despotism. In New York City, despite an augmented police force and increased police expenditures, the number of burglaries reported is now about 35,000 a year, and

all observers note year after year a similar increase in other crimes of violence.

Then if we consider that we are adding all the time to the congested area, not only in New York, but in every large city, and that the congested areas cause taxes that in turn add to the causes that enlarge the congested areas, one question comes home to us straight and hard.

For its own sake can Business afford to prolong these conditions?

Already there is apparent a practical confession that it can not. More than one great Business enterprise is beginning to acknowledge that ill-health and slum environments and slum products are actual obstructions in its way. I have before me the questions asked concerning an applicant for a position as porter with the United Cigar Stores Company. They are asked by a bonding concern charged with responsibility for the young man's efficiency, and here are some of the points raised:

Question No. 3.—“Are you acquainted with the young man's home or domestic conditions? If so please state his residence by town, street and number, if known, and give any information you may have of his immediate family surroundings.”

Question No. 6.—“ Have you ever known or heard at any time of his using intoxicants to excess? ”

Question No. 8.—“ Have you ever known or heard of his being addicted to speculation? Gambling? Betting on horses? The excessive use of any drug or opiate? Undesirable associates? ”

Question No. 9.—“ Are you aware of his suffering from any mental or physical ailment sufficient to impair his attention to the duties of this position? ”

Some employing companies now require the medical examination of an applicant. The example of the Standard Oil Company, one of the greatest and shrewdest of employers, which has long recognized the practical advantage of having well-fed, healthy, well-housed and contented workmen, I have already cited. Insurance companies, I may add, are beginning to discover to cure tuberculosis is cheaper than to pay death losses. The insuring order of Modern Woodmen of America has established at Colorado Springs a large, well-equipped sanatorium for the treatment of tubercular cases among its members. One of the great New York insurance companies has considered seriously a similar sanatorium for the benefit of its

policy holders. A conviction of the advantages of health and content seems to be spreading among the managers of some great enterprises. In San Francisco, where, partly through the loyal support of their employees, the corporations won the sweeping victory at the polls that was described in our last chapter, these same corporations are now encouraging athletics and entertainments among their men, even, in some cases, undergoing a considerable expense for that purpose. In New York and elsewhere the like interesting development is to be observed in the department stores that provide gymnasiums for their clerks, an idea much in favor in England. I am told that wherever these experiments have been tried the results have been regarded as profitable. Of course, these are but minute beginnings. To have healthy employees is important to Business; to have general health throughout the community is of vastly greater moment.

But in all these matters the most valuable and pertinent experiences are those of the greatest of modern traders, the German Government. In Germany, as no doubt you are aware, the Government conducts many forms of Business, among them the chief part of insurance, issuing policies against accident, sickness and disability, and car-

rying on a complete plan of old age insurance or pensions. For many years this practical and far-seeing Government waged (like the rest of civilization) a war against tuberculosis, and found that for all its efforts the disease gained upon it. Then, as a business venture, it invested some of its great insurance reserve in sanitary dwellings for workingmen. Last summer I revisited the dwellings thus erected in Berlin; and coming so lately from a close acquaintance with the Trinity and other tenements in New York, the difference struck in sharply, like the difference between civilization and savagery. These clean, bright, airy homes of Berlin, full of sunshine and beauty, handsomely built about open courts, little parks and children's playgrounds, if contrasted with the dirt, darkness and squalor of almost any tenement house region of an American city, would cover us and our ways with ineffable shame. But the point I most urge here is the practical results. Germany found that her investments in sanitary dwellings paid in many ways, and among them in direct profits to the insurance funds. Because when the workmen were decently housed, sickness and the payments on the sick benefit and pension accounts began to decrease, and the Government began to get the upper hand of tuberculosis.

So here was Business in a new aspect. There was a profit in practical humanitarianism. By using its surplus to promote the people's health the Government found it was saving money and accumulating a larger surplus to improve the health of more people, by which in turn it would accumulate a still greater surplus.

Kindly compare this endless chain of cause and effect with that other endless chain that we have seen at work in an American city — the chain that spreads the slum and augments the tax burden that spreads more slums and still further augments the tax burden.

The conclusion from these facts is very plain. Good Business demands the best of everything. Nothing is too good for Business. That Business may proceed in the surest, safest and most profitable way there must be the best of health, the best of comfort, the best of feeling, the best of every condition. Good Business is good ethics — not because of any creed or doctrine, but because of immutable facts. Humanitarianism is well when urged on grounds of sentiment. As a matter of fact, the broadest humanitarianism is the best Business — it pays the best; and reducing all things to a practical basis, it appears that kindness and decency are not only good for the soul

of the man that practises them, but most assuredly good for his balance-sheets also.

Our great insurance companies have invested their billion-dollar surpluses in stocks, bonds and office buildings. I make not the least doubt that to-day their balances would be larger and more secure if they had invested their surpluses in sanitary houses for workingmen. They would have secured a larger money return, and they would have lowered their death-rate.

That is good Business.

When we reflect that the policy of the American insurance companies — to look no farther than to-day, to grab everything in sight, to make of the surplus so many pawns on a financial chess-board — is the policy Business has generally pursued and is pursuing in our country, it is something to give us serious thought. There can not be the least doubt that the future welfare of Business is bound up with the future physical welfare of the people. To think that Business can go on holding itself aloof from the masses of the people and regarding them with indifference, or even aversion, is to think certain disaster. England (in whose downward footsteps we are much too prone to follow) has tried that and has brought up in trouble. We can go the same way if we

wish to, but it is not a good way. Why should we wish to die when we might as well live?

Yet, of course, Business will not change its methods because of preachments. It will change only when it sees for itself that its present methods will spell its ruin. The question is whether the men of Business that have possessed themselves of our government will have wit enough to perceive what is ahead for their interests. So far they have been absorbed in wresting from other men the mastery of our industries. The time is evidently close at hand when they will have to cease from such strife because all the industries will have been mastered. With the control of all the railroads, all the water powers, all the coal mines, all the iron and steel supplies, most of the money supply, most of the artificial light supply, most of the meat supply vested in one group, certainly the rest will easily follow, and Business will be organized and controlled by the few men that have conquered it.

Will they see, then, that unless they base their machine on the broadest notions of humanitarianism the whole thing will go to smash? That is the question. If they do see this fact they must move with great celerity, because already the products of the present system are a grave menace

to them, to the structure they have been rearing, and to all of us. We will admit that up to the present time they have been doing only what, in the stress of conditions and under the pressure of evolution, they were compelled to do. We can easily dismiss the reproaches cast upon them by strenuous and other gentlemen of the cult reformatory. But the stage of evolution in which they have labored with eyes intent upon the cash book is about over. The final triumph of Organized Business is at hand. Then what?

And now I want to record the words that were said to me on this subject not long ago by an American banker. If I could tell you his name you would give to this chapter an amount of attention I can never draw from you, because he is known in every corner of the country as a man of millions and an inheritor of millions. We were talking under conditions that make men frank and communicative; I mean we met abroad in a strange country, when compatriots usually feel freer to talk to one another than they would ever feel at home. Thus we were running on about capitalization, and the banker told me the story of a concern that, if you do not mind, I will disguise here under the name of the Hot Muffin Trust, because there is no need of unpleasantly

distinguishing any one set of men. Of this organization the whole history had passed under his immediate notice, so that he told it very well. The organizers had come together and put into a pool all their property, worth less than \$2,000,000. On this they had issued \$10,000,000 of stock and \$10,000,000 of bonds in their amalgamated new company. The bonds they had sold to the public with forty per cent. of the stock, these securities being in effect equally a lien upon the enterprise, with interest and dividends to be dug out of the consumers. Later they added another establishment worth \$1,000,000 and put out \$10,000,000 more of stock. They continued to acquire establishments and to issue stocks and bonds until they had a capitalization of \$100,000,000 on property that previously had been capitalized at perhaps one-tenth of that sum; and on the increase they were taking profits from the public.

When he made an end of his narrative I said:

“You have told the story of the Hot Muffin Trust, which fell under your observation, but without thinking it you have told also the history of the Cruller Trust and the Tin Horn Trust, with which I happen to be equally familiar.”

"As a matter of fact," he said, "I have told the history of a hundred. They are all alike.

"Now," said he after a time, "what do you think will be the outcome of all this?"

"I don't know," said I, "I suppose the process will go as far as it can, and then stop."

"One of two things," said he. "It will have to be stopped pretty soon, or we shall have a revolution."

"A physical revolution — violence?"

"Exactly. A physical revolution — violence and bloodshed, and barricades in the streets."

"Oh, come now," said I, "you are not serious. The American people are not that sort. They haven't any use for revolutions."

"Haven't they?" said he grimly. "Well, they will have when they wake up and find that all their resources have been seized by one little group of men. I guess they will have use enough for revolutions when they begin to get hungry. The result of all this capitalizing is to increase poverty on one side and superfluity on the other. You can't keep that up very long without raising trouble."

"Well," I said, "you are a banker — about the last man in the world I should expect to hear that from."

“So?” said he. “Let me tell you that for a long time I have not met a man of my own class that did not take practically the same view. He wouldn’t publicly acknowledge it, and neither would I. But among themselves they don’t hide their convictions. Only they think the thing is far off and another generation will have to deal with it, and I think it is close at hand. The process has been greatly accelerated of late. Every day there is more of it. The profits of these consolidations must be invested, and as they are invested they produce more profits, all going into the same hands and in turn demanding new investments. You can see where that will end.”

If this view be correct — and who shall say it is wholly illogical? — there is evidently something more that Business should consider. It is wont to weigh well what is good and what is bad for Business, but of all things that are bad for Business the very worst is revolution and battles in the street. We should sell very few goods while our windows were being smashed and our stores looted. The permanence of good Business is the permanence of order.

Business sees clearly the practical disadvantages of conflagration, and guards against conflagration by maintaining efficient fire departments. In

time it may see that conflagration, though the most obvious, is not the most serious danger that confronts it. Then it may insist with equal success upon sanitary homes for the people and upon sufficiency of food, light, leisure and education; it may insist upon abolishing the slum as a worse evil than fire. No one can pretend to say whether or not it will do this. But if it does not, the prediction is easy. Under like conditions, like causes produce like results; and according to history, the bottom of the pit is an extremely uncomfortable place for a nation to rest in.

Crime and disease; ignorance and darkened lives, feeble bodies and diseased minds, bad food and bad blood, interior dwelling rooms and tuberculosis, savage surroundings and savage impulses, misgoverned cities and triumphant graft, corrupted elections and a controlled press — can we stand much more of this? And continue, I mean, to maintain the system of Business that produces them all?

CHAPTER VIII

BUSINESS AND THE INCREASE IN THE COST OF LIVING

THUS having surveyed four aspects of this Business that is the real American Government and all the branches and functions thereof, let us now cheer the drooping spirit with divertisement. Shall we say with vaudeville? Good! And shall we say with a species of national or international vaudeville calculated to instruct as well as to amuse? Good again! Vaudeville is the true relaxation of the inquiring mind.

Let us, therefore, bring on the grand old figure, familiar in cartoons and drawings — our Uncle Samuel, striped trousers, starred vest and all, but with his usually genial face now marked with many cares.

He begins the scene by posting upon the wall a card of rules and regulations for his household. There shall be no evolution, no new methods, no "combinations in restraint of trade"; there shall be no pooling, no rebating, no granting of favors by his railroads; there shall

be no trusts; and so on to the same effect. These he contemplates with great satisfaction.

Presently he learns that the only attention his household pays to his beautiful regulations is to tear them down and kick them full of holes. After some perplexity he has what he deems a happy thought. He levies upon the persons that scorn his regulations a series of fines. These also he views with joy.

After a time he discovers that whenever he fines any of these persons he is really fining himself, because in every instance he ultimately pays the fine. The persons he fines are engaged in furnishing him with things he must have and they merely add the fine to the price — with interest and many times.

When he perceives that this is indubitably and in every instance the fact, he concludes that, after all, his thought was not so happy and hereafter he will not fine anybody.

Next he thinks he will put somebody into jail. So he selects the person he wants to put into jail and it takes five years and an enormous expenditure of money to get the person inside the jail door, and as soon as the person is there all the country wants to have him out. And, meantime, nobody pays the least attention to the old

gentleman's rules except to dance on them with keener enjoyment and kick more holes in them.

While this is going on the old gentleman discovers that his living expenses have marvelously increased upon him, so that everything costs him about twice as much as it formerly cost, and he must pinch and skimp and economize to live within his income.

Thereupon he concludes that the reason why his expenses have increased and he must pinch and save is because these bad persons have torn down his regulations and danced on them. He told them they must obey the rules and scolded them and showed his teeth and stormed at them and threatened them with his club; but still they would not mind him and they would persist in their evil ways. So now he has another happy thought. He will punish them — by starving himself. He will show these ribald ones what it means to dance upon the statutes of the United States, made and provided. So he organizes a National Anti-Food-Trust League and he takes a pledge that he will eat no meat for sixty days and no butter for sixty-one days and no eggs for some other period, and sits down to watch the Vile Trusts wither up and pass away under this terrible punishment. They have done ill, let

them suffer; he will have no mercy. But somehow they neither suffer nor wither. The only person that withers is poor old Uncle Samuel. The Vile Trusts wax fat and declare another stock dividend, while he, on a diet of stewed sawdust and fried bran, thinks longingly of the juicy steaks and chops he used to eat.

So he gives up also this magnificent scheme to punish the wrong-doers by punishing himself, and the last scene in this delightful sketch shows the old gentleman with his club in his hand standing over two bad boys, members of the Beef Trust, and saying:

“Compete, confound you! Compete! Why don’t you compete? The rules say you must compete. Why don’t you compete? Compete or I will beat you up with this club.”

But the bad boys bite their thumbs at the old gentleman and laugh derisively. They have examined the club and they know it is only a slapstick.

Whereupon the curtain falls amid the loud laughter of the nations, to whose gaiety this pleasing turn has ineffably added.

But if the old gentleman has not succeeded in saving his rules and regulations from the heels of ribald jesters, if he has not thrust anybody



into jail, if he has not prevented "combinations in restraint of trade," if his living-bills continue to mount daily without signs of relief, at least he has begun to learn something from his experiences. As if with mallet and awl, a fundamental fact has been driven into his head that he might well have known from the beginning.

You cannot injure Business without injuring the nation, because under the present system Business is the heart of the nation.

By the time the old gentleman has experimented sufficiently with his slap-stick and the bad boys of the Beef Trust, he may possibly have learned other things equally important. Such as these:

You cannot with a federal statute check evolution.

You cannot change a world-wide condition by dosing it with Dr. Sherman's Celebrated Herb Tea for Trusts and Boils.

You cannot harness Business with legislation for the simple reason that in the present stage of evolution Business is a primal necessity that is and must be superior to all law. You can, if you wish, devise another method of supplying man with the things he must have. But until you do devise such a method you must not in-

terfere with this method, because from it alone man obtains the things whereby he lives.

You can see now that while the great National and International Vaudeville slap-stick act is, as advertised, extremely amusing, it has certain aspects not in the least comic, but only very grave. Of the others we shall see more hereafter, but let us take up now this matter of the increased cost of living. To the well-fed and the well-to-do this may properly be a matter of indifference; to the poor, who constitute the great majority of our nation, it is too bitter for jest. These vast toiling populations that create wealth and get little or none of it live at all times too near the imminent verge of penury to regard the boundary blithesomely, and now they see it melting away as their butcher bills and grocery bills and rent bills augment upon them. The people in the slums are at best underfed and overworked. Go through some of the tenement houses, see how scantily the inmates live, and think what it must mean to them when the cost of all they buy is enhanced sixty per cent. and there is no increase in their incomes. The most careful housewife there looks back over the last ten years, let us say, and is frightened to see how much more she must pay now for the necessaries

of life. Some of them have doubled in price, but the good man's wages remain the same. There is no appeal of humor to her as she contemplates this fact. The wages, always inadequate, can now hardly bear the strain of the barest necessities, and every day she notices that something she must buy has become still dearer. And the plight of her household is beginning to be the situation in many homes that have never before seriously faced want.

The facts as to the increased cost of living hardly need to be amplified here, but merely as a reminder I may cite some of the evidences of a condition familiar to every person that pays bills. Senator Lodge, who is a conservative authority, spread upon the Congressional Record the results of his investigations covering the increases in the prices of common articles for the last ten years. Here are some of the items:

PER CENT. OF INCREASE IN TEN YEARS

Bread	18	Dried apples	23
Dairy butter	32	Currants	87
Cheese	43	Raisins	8
Eggs	41	Lard	40
Buckwheat flour	32	White cornmeal	24
Rye flour	38	Yellow cornmeal	33
Wheat flour	13	Bacon	41

PER CENT. OF INCREASE IN TEN YEARS — *Continued*

Fresh beef	14	Milk	31
Mess beef	22	Salt	12
Western beef (salt)...	44	Spices	32
Hams	32	Tallow	42
Mutton	16	Vinegar	16
Pork	51		
AVERAGE			26.48

In most instances these figures would be regarded by the average purchaser as much too low. Here are the percentages of buying price increase from 1905 to 1910, taken by the *Chicago Tribune* from the books of a local restaurant keeper:

	PER CT.		PER CT.
Spare ribs	55	Quail	42
Saddle of mutton.....	50	Mallard duck	77
Back of mutton.....	28	Broilers	75
Corned beef	62	Geese	50
Pork loin	36	Turkeys	46
Calves' liver	32	Hens	30
Ham	19	Duck	28
Pork tenderloin	35	Eggs	105
Ribs of beef.....	31	Butter	52
Loin of beef.....	26	Codfish	40
Hind quarter of veal...	87	Bass	27
Lamb	20	Trout	77
Squabs	60	Halibut	27
Bacon	33	Whitefish	30
Salt pork	65		

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To this list other investigators add the following increases:

Cost of building.....	45	per cent.
Cotton	115	" "
Woolens	120	" "
Shoes	35	" "

The following comparison of prices is made from market reports:

		1900	1910
Bacon	By the pound.....	\$.12	\$.36
Sirloin steak	" " .....	.22	.33
Round steak	" " .....	.12	.20
Lamb	" " .....	.12	.28
Veal	" " .....	.15	.28
Mutton (leg)	" " .....	.10	.24

Comparisons for a shorter period are afforded from this table:

		1905	1910
Flour	By the barrel.....	\$4.10	\$5.70
Butter	" pound.....	.26	.32
Bacon	" " .....	.15	.25
Coffee	" " .....	.16—.28	.30—.38
Potatoes	" bushel.....	.50	.65

At last this condition, steadily growing everywhere, forces itself upon the general attention even of the well-fed and fortunate. The newspapers take it up and discuss it. Statesmen deplore its evil consequences. Congress splutters

and fumbles over it. Many investigators consider its causes. Eminent persons set forth its remedies.

Here are some of the causes ascribed:

1. It is the tariff.

P. S. But we have had the tariff forty-seven years and we had it when prices were less than half of the prices of to-day.

2. It is the greed of the retailer. The butcher and grocer pile on the prices and make the rest of us suffer for the sake of their fortunes.

P. S. But inquiry shows that the butcher and the grocer are making no greater profits than they made before and are themselves complaining of high prices.

3. It is the terrible farmer. That avaricious person has put up the prices of cattle and of corn and of hogs and naturally the prices of other things must rise in consequence. Shoes which are (sometimes) made of leather; and bacon, of course, and spare-ribs; and roundsteak; and butter, which is made of milk (more or less).

P. S. But inquiry shows that the terrible farmer is not on the way to be a multi-millionaire, is not rapidly growing rich, is not aware that he is ruining the nation, but in most instances

is, like the rest of us, complaining of his enforced expenses.

4. It is the American housewife. She does not know how to economize. Now a housewife in Moldavia can make twenty-eight different dishes out of an old bone that the American housewife merely throws into the soup. There lies all the trouble. Let the American housewife learn to cook bones.

P. S. But reflection shows that the American housewife knew ten years ago as little about bones as she knows to-day, although ten years ago there was none of this universal trouble about the cost of living.

5. It is the luxurious and extravagant habits of the American nation, manicuring its finger nails, taking Turkish baths, going to the opera and buying automobiles.

P. S. But on reflection no one can say exactly why the use of a manicure set should influence the price of mess beef. And as for opera and automobiles, the total number of Americans that enjoy these luxuries is so infinitely small, compared with the number that do not, that this sort of reasoning doesn't seem to go very far except as an excellent element of comedy.

6. It is the odious labor union. This per-

nicious institution has raised the price of labor and of course anybody can see the necessary consequences. Cost of labor increased, cost of production increased; prices of articles must be increased. That is what does it all — the depraved labor union.

P. S. But as a matter of fact only about 1,800,000 workers are enrolled in the labor unions. Many of these have not had their wages increased at all, and for those that have managed to get more pay, the increase has averaged, it is said, about twelve per cent., while the average cost of living has increased more than sixty per cent.

7. It is the eating of meat. If we refuse to eat meat the problem is solved because the price must decline. Let us then pledge ourselves not to eat meat for sixty days.

P. S. But it doesn't appear from this what is to be done after the sixty days, and anyway, after some thousands have lent themselves to this sapient theory, the prices of meat continue to rise as before.

8. It is the packers. Those lawless persons in Chicago have combined to advance the prices of meat. There is where all the trouble lies. Let us swat the packers. So an Eminent Per-

son in Washington announces that he will prosecute to the bitter end these dreadful malefactors, and an Eminent Person in Chicago announces that he will prosecute them, too. Then the Eminent Person in Chicago says he thought of prosecution first and the Eminent Person in Washington says he thought of it first; and between the two it is evident that something is to happen and the atrocious packers actually may be obliged to hire lawyers that will appear in court and defend them from something or other.

P. S. But it will take, if the Eminent Persons persevere, about six years to determine whether the depraved packers are really guilty of anything. How, in the meantime, prices are to be reduced or kept from rising day by day no one has explained—not even the Eminent Persons.

All this is for the grand-stand and the world's refreshing, doubtless, but suggests pertinent and most serious conclusions about our Government, which is Business; and about Business, which is our Government. As thus:

At no time have we been dealing in theories. This is merely an inquiry into facts. We shall waste our time to say that Business ought to do thus and so. There is no "ought" about it.

We have here a condition wholly novel in this world. We have a Government by Business and we are trying to determine whether this novel kind of Government is likely to endure.

We found in a preceding chapter that the present system, no matter what changes may be made in our political alignments, will assuredly work its own speedy destruction unless it abolishes the slum because poverty and the slum are increasing upon it and the outcome of that increase will be deficient consumers and deficient producers — both fatal to Business.

We may now add the conclusion that if it is to survive, Business must also, and with no less diligence and at whatsoever cost, try to spread education and the highest and best forms of education among all its subjects, whatever their station, even the humblest.

Now this will reverse the present controlling view that Business holds of this vitally important subject, and the fact sharply suggests again the question whether the present system of Business is wise enough for its task; whether it has been wise; whether it has not been grossly unwise; whether the time has not gone by for it to retrieve its errors; whether because of its lack of

wisdom there is not serious trouble ahead for Business and all of us.

Hitherto Business has looked upon education as it has looked upon the wide-open policy for cities — that is to say, only in the light of its daily balance-sheet. In both instances it will have to extend its vision if it is to survive in its present shape. The common and (it must be admitted) the natural opinion of Business has been that education is not really necessary for the masses and the children of the toilers. It is not necessary, and indeed, in a way, it would be pernicious for them. Superficially viewed, education would tend to make them discontented with their lot; therefore they would not be good workmen. Most manufacturing, as it is carried on to-day, does not require educated toilers. Apparently all they need to know (from the employer's point of view) is to do well the thing before them, to turn the wheel, guide the sheet of leather or of metal, turn the piece of steel beneath the hammer. Education would not enable them the better to perform these tasks; it would, on the other hand, give them ideals and ambitions inconsistent with their station in life and which they could never gratify. What is needed is a large body

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of workmen, industrious, contented, faithful to their employers, and education would in no way help to supply this want. Therefore, the growing tendency of Business has been to limit and reduce the opportunities for education enjoyed by the children of the poor, and it is a question of fact for us now whether this policy of Business has been (for the sake of Business itself) wise and prudent, and whether it will not inevitably destroy Business if it be persisted in.

As to the fact of restricted education, that is not to be disguised by genial and unctuous formulas about America, the land of free opportunity and the public school. The well-to-do and fairly prosperous have an incurable habit of thinking that because their children are being educated all children are being educated, just as they think because they are well fed all persons must be well fed. But here, as in so many other instances, the accepted and parroted formula and the actual facts are widely at variance. On even a casual reference to the statistics, it appears that the children of the poor that constitute the majority of the population are receiving very inadequate education. Most of those that go to school leave before they complete the grammar grades. Persons that contemplate this fact are, I believe,

prone to accept it as inevitable because the children, being the children of the poor, must leave school to go to work; but a change in our system easily introduced by the Business that rules us and every phase of our affairs would make it possible for all children, of the poor as of the rich, to be trained properly for the realities of life and the duties of the citizen. Instead of furthering such a reformation Business has steadily opposed even the first steps thereto. For example, it has reached out its great, mysterious, irresistible power and strangled every attempt to mitigate the horrors of child labor, although one can easily demonstrate that this system of hell in the midst of a civilized country is sowing the seed of national decline and therefore of the death of Business. Who can tell just how the anti-child labor bills are always killed? Who can tell just how tariff reduction is always manipulated and brought to naught? Yet all men know that in all such instances, though the voice may be the voice of Aldrich or another, the hand is ever the hand of Business.

And in all this is Business wise?

The antagonism of Business toward popular school extension has had curious manifestations and a place in the long category of the things we

all know and yet absolutely refuse to connote for significance. There is not a large, nor, I think, a considerable city in the country where the school accommodations are adequate in both quantity and quality for the reasonable education of the children of the masses. At this point I shall expect a violent outcry of protest from Mr. Complacent Blindman and Mr. Let-us-Alone, but it is nevertheless a literally true statement. The school accommodations are inadequate, and by no possibility can you get Business to consent that they be otherwise. Any proposal to build the kind of schoolhouses we ought to have, and to build enough of them, with ample room, grounds, light, accessories and staffs of teachers, would be fought to the death by Business. In New York Business will not even agree to cease cheating women teachers of half the pay they earn. It will gladly appropriate any sum demanded to build armories and maintain the militia because these are useful adjuncts in suppressing strikes. It will also respond to schemes of manual training in the schools because these produce workingmen that are outside of the influence of the labor unions. But it will not grant adequate sums for general and popular school training.

In some of our great cities, New York and

Chicago conspicuously, and others to a less extent, this niggardliness has produced an astounding spectacle. In the crowded quarters where education is most needed and most withheld, the schoolhouse accommodations are so meager that the children have gone to school in detachments, one attending in the morning and the other in the afternoon. In other words, they have received only half of the poor little modicum of education that Business ostensibly allows them.

And what do they do in the time when they are not allowed to go to school? Why, wander in the streets, of course — or work.

Now, in this again, is Business wise? For its own sake, I mean, not from any theory, or doctrine, or sentiment, or reason of patriotism, but merely for its own sake, that it may continue to thrive and reap its great advantages.

Not if one looks attentively at the economic history of recent times.

We have been confronted in the last few years with this bitter and acute situation, resulting from the rapid increase in the cost of living. And what are the remedies that have been seriously proposed for it and seriously attempted?

1. To boycott Business and refuse to buy some of its products. 2. To put Business men into jail.

3. To destroy Business by enforcing certain ridiculous, idiotic and medieval laws that now adorn our statute books; whereby we should abolish the organizations and combinations by which alone Business is able to do its work and to supply man with the things he must have to sustain his life.

Look in turn at each of these remedies.

In the first place, the boycott is absolutely illegal, and having been so declared by the highest courts is likely to land its practitioners in jail. If you can not boycott stoves you can not boycott sausages; that is certain. But laying aside this consideration, it is obvious that we can, by refusing to eat, achieve nothing except that, if we persevere long enough, we may work a considerable injury upon ourselves. The substance of this remedy, then, is that we make laws, the corporations violate them, and we punish the corporations by starving ourselves. That seems to push vicarious atonement to unwarrantable excess, and, anyway, how in the name of soberness can it ever affect evolution?

As for putting people into jail, suppose, for the sake of example, we were to seize the three persons at the head of the great packing houses of Chicago and imprison them for life. Suppose

we were to put into jail with them all the managers, sub-managers, superintendents, clerks and foremen. How would that reduce the price of meat? It might possibly increase the price, because, for a time, it might make production more difficult; but it could never reduce the price. The great Armour establishment would have to go on if Mr. Armour were in jail; the great Swift establishment and the great Morris establishment could not stop if all the Swifts and Morrises in the world were locked up. They would go on and go on exactly as they go now, and the prices they charged would be then, as now, independent of the will of any man, and produced by great economic causes that were first great economic results of other great causes.

As for legal war upon Business organizations, as for dosing them with dear old Dr. Sherman's Anti-Trust Herb Tea, as for attacking them with ancient statutes, we had much better spare ourselves the labor. We have an order now from one of the lower federal courts commanding the Standard Oil Company to dissolve itself, break up its amalgamated units and return to the condition of sixteenth century competition. Let us suppose this order to be sustained by the Supreme Court and enforced. Of course it never will be,

but let us strain our imaginations to the utmost and suppose that it is and that all the trusts are ordered to dissolve themselves and return to the abandoned practises of competition. That is, I believe, what the eminent trust doctors want — Dr. Roosevelt, Dr. Byran, Dr. Taft and the rest. Let us suppose that they have their own way in every particular and that these pernicious trusts (held to be responsible for the increased cost of living) are broken up, dissolved, annihilated and made to cease from being in the world of men. What then?

Take, for instance, my old, warm, personal enemy, the Beef Trust. That is composed of three great houses bound together through a fourth, the National Packing Company. Each of the three great firms owns a third of the National Packing Company stock, by which simple device competition is eliminated and prices are made uniform.

Well then, let us descend upon this arrangement and do our worst. Let us summon the majesty of the law and of Dr. Sherman and go to the limit. What then? Are we to compel Mr. Armour to sell his National Packing Company stock, or are we to take it away from him?

We must do one or the other, and one is lawless tyranny and the other is confiscation. You will say: Let us dissolve the National Packing Company. Good round phrase! Here it is, an amalgamation of a dozen smaller concerns that about fifteen years ago were in actual separate operation, and later sold out. Shall we hunt up these former owners and tell them they must take back their plants? Some are dead and some have moved far away. How shall we reach them? And when we reach them what is the method by which we can compel them to take things that they do not want?

But suppose we succeed in finding all these gentlemen, and suppose we coerce them into taking back their former enterprises, how shall we make them operate in competition with one another? If they do not wish to compete shall we stand at their heads with pistols and force them into competition, whether or no? And how can we prevent them from selling their property again to a combination company, just as they sold it before? Shall we pass a law forbidding them to sell what is their own? And if they may sell their property is it not clear that they will sell to another National Packing Company which again

will be owned by Armour, Swift and Morris, and that exactly the present situation will be restored?

Then what is the use?

And again I ask, how can we compel men to compete if they do not wish to compete? If Armour offers 7.20 for hogs shall we oblige Swift to offer 7.25 and Morris to offer 7.30? And if Armour sells beef at $8\frac{1}{2}$ cents a pound shall we compel Swift & Company to sell it at $8\frac{3}{8}$ and Morris to sell it at $8\frac{1}{4}$?

Behold how foolish a thing is a statesman when he lays aside his wits and goes forth to do battle with evolution!

But here is something else you may care to think about.

It is not the depravity of the packers, nor of the butchers, nor of any class of men that makes prices high. These men are no more depraved than the rest of us and not in any way different. Attempts to make them the villains of the piece are merely hysteria. Like the rest of us, they are the creatures of conditions. If we care to see how, look at this:

Let us say that you are at the head of one of the great packing houses of Chicago, in your

charge an enterprise worth sixty million dollars and a business so great that your bank clearances often exceed a million dollars a day.

You do much business with the railroads. All the railroads are enormously capitalized. Of their total capitalization more than half is water (or latent value) and this kind of capitalization is steadily being increased. Naturally the revenue from the service must be increased so as to support the increased capitalization. In spite of the rebates and other advantages that you secure as a great shipper you must bear your share of this increase year by year or even month by month.

You use a great deal of machinery and of articles of steel and iron. All these are procured through the Steel Trust in which properties worth \$300,000,000 are capitalized at \$1,100,000,000, and this capitalization tends to increase.

You consume a great deal of coal which you purchase of the Coal Trust, which has also a very great capitalization of latent values or earning power or water, and which in turn pays tribute to similar capitalization in the Steel Trust and the Railroad Trust.

You consume a great deal of salt and for that you pay tribute to the latent values capitalized in

the Salt Trust, which in turn pays tribute to similar values in the Steel Trust and the Railroad Trust and the Coal Trust.

You consume lumber and for that you pay tribute to the latent values or water capitalization in the Lumber Trust, which in turn pays tribute to the Steel Trust, the Railroad Trust and the Coal Trust.

You buy cattle and hogs of the farmers, who buy their machinery of the Harvester Trust, and the Agricultural Machinery Trust. Both of these Trusts have monstrously watered their stock. In January of last year, in the midst of the agitation about the cost of living, the Harvester Trust added to its capitalization a \$20,000,000 "melon" or stock dividend on which the dividends must be dug out of the farmers. And these farmers already pay tribute to similar capitalization in the Railroad Trust, the Steel Trust, the Lumber Trust, the Salt Trust, the Elevator Trust, the Woolen Trust, the Sugar Trust, and eleven other similar organizations.

You see all these great corporations about you augmenting their capital and levying increased prices to support the augmented capital. You see that these increased prices mean a huge increase in the cost of your product. Accordingly

you obey the universal law of Business (compared with which the work of the legislatures is an idle jest) and you increase your capitalization, and accordingly your prices increase with the rest.

Whereupon Eminent Persons want to put you into jail.

Why not put everybody into jail?

Now, of course, we shall not put Mr. Armour into jail nor any other alleged violator of the social regimen of Dr. Sherman. We are not so far gone in hysteria as that would imply. But the point to consider is that if we do not know any more about economics than to think a jail term will lower prices, then Business should look at once and most soberly to our educational arrangements. If, after more than a century of what is called general education, we know so little of basic economic truths that we ascribe a worldwide evolution to the spells and incantations of a pork-packer, Business had better give its first attention to reforming our schools — not to say our colleges.

And this is a point of very great importance to Business. You will observe that all the remedies proposed and advanced for the cure of the present situation are aimed against Business. All of them purpose some kind of lynching of Busi-

ness. To-day the lynching may be defeated. To-morrow it may not be. The spirit that in the last few months has been manifested against Business ought to make Business stop and think. From a widespread disposition to destroy the nation's only source of indispensable supplies any upheaval might be predicted. After clamoring to imprison men for a process of evolution the next natural step would be to lead a mob up Fifth Avenue.

Suppose the decision against the Standard Oil Company should be upheld and suppose the unthinking element at Washington should undertake to apply dissolution to the other great Business combinations. There would ensue the greatest panic ever known in our history. We might not be, and probably should not be, recovered in many years from the depression that would follow, and in those years Business would be prostrate. Not one thing would be achieved against the "combinations in restraint of trade" because these can not possibly be abolished until you provide in their place a substitute source of supplies; but confidence would be shaken, the price of stocks would drop like rocks, many firms and many individuals would be ruined, and in the catastrophe industry would be sorely distressed.

If in that crisis the persons that now want to put trust magnates into jail should foster a belief that the trust magnates were responsible for the situation, no one could foretell the results. We might have scenes and events that afterwards we should bitterly regret, and beyond all question there would be conditions the worst possible for Business.

Therefore we may say that next to general health and the best possible environments for the people, the welfare of Business demands universal education, and that of the highest type. For its safety so long as it shall remain it requires a public too well informed to rise up and rend man's source of supply because world-wide conditions produce disagreeable results; a public too well-informed to listen to the foolish imaginings of incompetents and the dull party leaders. Business ought to see to this. In the opinion of foreign visitors that take good note of us, we are politically the least informed of all civilized peoples. Cabmen in Paris and yokels in Germany will discuss political problems with far more intelligence than the average American Congressman. The evils of such a condition are not merely sentimental, but most practical — as we are very likely to find before long. The surest ally of Business

(that in the present stage of evolution supplies our primal necessities) is a high and general intelligence.

I admit that, superficially considered, some of the spectacles about us do not argue always for a spread of such university education as we have now in America. A President that is also a Yale graduate and lends himself to the clamor against individuals is not the most edifying thing in the world. But if the reforming of the university is indicated, good; let us have that, too. Only let us not lose sight of the fact that nothing but general enlightenment will save us from foolish ideas and foolish movements that are to-day for the laughter of the gods and to-morrow may be for our infinite humiliation and sorrow.

Yet it may be that as the rule of Business is only a stage of evolution, even this is now passing away before our eyes. It may be that the failure of Business to perceive its opportunities has already begun to work its downfall and mankind is on the verge of erecting another source of its supplies. Take together some aspects of the situation that we usually view separately (if at all) and see how they look as factors of disintegration.

Take the huge misgovernment of our cities, the

alliance between the public service corporation, the fraudulent vote broker, the brothel, the brewery and the saloon, by which alliance that misgovernment is maintained.

Take the corruption of public officers bribed directly or indirectly to do the corporation's will.

Take the undermining of the public conscience that this causes, so you hear men say that to bribe an alderman is no worse than to tip a waiter.

Take the growth of the slums, the increase of poverty and the decline of physical stamina among the slum-dwellers.

Take the folly of certain representatives of Business, as when they force a Pinchot from the public service and compel the recognition of fraudulent claims to the public lands.

Take Cannonism and all that it implies.

Take the control of the public press for ignoble ends so that we have no longer (in our newspapers) a free vehicle of public information.

You might think the whole system to be on the verge of collapse. You might think that we had already reached a stage where these things could go on no longer and that a new era and a vast new method were at hand.

But if this be true no man need be so great a fool as to think that what impends is a re-

turn to any measure of competition. Evolution does not go backwards. The days of competition are dead and gone forever. Competition served its purposes, was worn out, and progress discarded it absolutely, just as progress has discarded other methods and other devices that men have used and now need no longer. Then will you but see how foolish look the champions of regulation and repression! All the purpose of their efforts, bills, prosecutions, diatribes and effusions is to check combination and restore competition. They might as well try to restore the stage-coach and the dugout. What should we think if Mr. Taft should send a message to Congress asking that American soldiers be armed with bows and arrows and carry cowhide shields, or that we rebuild the navy with wooden sailing ships? And yet such proposals would be no whit more absurd than this idea that we can reduce the price of butter by putting somebody into jail, or the idea that to dissolve the Standard Oil Company would do any good, or the idea that the evils of our railroad system can be cured by a Court of Commerce, or the idea that under any conditions competition can come again.

No; when the change comes, it will bear no trace of relation to the plans of the regulative

and kindergarten school of thought. Organized Business, with all its trusts and all its features of good and evil, is our present source of supply for man's primal necessities. It is, therefore, above all attacks as above all laws and all regulations. It may have undermined itself; it may have, by unwisdom, brought its dominance to an end; but it never has been and never will be affected by any attempt to curb or regulate it. And when its day comes to an end it will be succeeded by other sources of supply organized upon its lines and still farther removed from that competition desired by Regulators and Reformers and aimed at in the Golden Specific and Anti-Trust Chologogue of Dr. Sherman. The trust, the great Business combination, the perfected and articulated organization for efficient and economical production, represented an incalculable advance upon all previous methods of Business. Its installation has been attended with many minor evils and one great radical fault. So far it has operated to confer its benefits almost entirely upon its owners. The next obvious step is to operate it so that it will confer its benefits upon the community. That will be again a great advance. What the Regulators and Reformers want to do with it would be a huge retrogression. The world does not retrograde.

CHAPTER IX

BUSINESS FOR THE COMMON GOOD

WHEN Henry Ward Beecher, in March, 1887, was seized with the illness that closed his brilliant career, I was assigned to what is called in professional terms the "death-watch." I was obliged to keep in close touch with my newspaper, and to that end established lines of communication through the telephones in two small stores not far from the Beecher house.

One was kept by a German, one by an American. These were of about the same age, equally ambitious, just making their start in life, and equally (though in different ways) interesting types of youth under American systems and ideas.

The German, remembering his boyhood spent in different conditions, was impressed with the freedom of opportunity that pertained to his American citizenship. Here every man had an equal chance. Here was no weight of class upon him. All attainments were within his reach. He could even have a home of his own and a competence.

The American looked far beyond these modest heights, being fired with the examples of so many men that, beginning as he began, with only their brains, hands and wills, had won to conspicuous wealth. A. T. Stewart was his model. Stewart started in just such a little store, similarly unhelped. He could see no reason why he should not do as Stewart had done.

I came to know both men fairly well; they had been extremely good-natured and obliging about the telephone; and the varying chances of a reporter's fortune took me frequently into their neighborhood, so that for some years we kept track of one another, even in the bedlam of city life. They were really well worth knowing and observing, if only for the examples they offered of the virtues whereof success is traditionally wrought. They were, for instance, among the hardest working men I have ever known, rather unreasonably honest, and at least one was enthusiastic to a degree that almost caused pain.

At the end of five years I thought both had extended their trade and were doing well. After a time I was not so sure. Then I perceived that they had apparently gone as far as they could go, and next, that the evidences of decline were but too apparent. Then they were engaged obviously

in a bitter and hand-to-hand struggle for existence. After eighteen years the German had committed suicide and the American had closed his shop and was the head of a small division in a department store; a man on wages for the rest of his serviceable years. After that, I don't know — to live on his children, maybe.

They had been crushed, both of these good men, by the steam roller of the department store. One had given up in despair and the other had yielded grimly to the inevitable. To him his recollections of his youthful ambitions were sometimes bitter. He told me so. At first he thought the fault must be in himself; he must lack the capacity and ability to climb the path that Stewart and so many others had climbed. His own first estimate of his faculties compared with the way of his life would sting him into ironical laughter. Growing more philosophical, and seeing thousands of other men swept like himself into the same defeat, he began to perceive that all alike were merely the batted handballs of an inexorable change in conditions, and that the days of the A. T. Stewarts had gone and would never return.

The avenues of fortune-making in commerce had been walled across. Equal opportunity for all had become a myth.

This is plain dealing with a rather painful subject. So long as we can, we cling with all our strength to our little raft of old formulas and old platitudes. That is human nature. We always hate to go adrift. And yet, in good truth, the old formulas will not keep afloat any longer, and without theories and without doctrine we may as well face the facts as we find them.

The truth is, then, that under the conditions produced by Business in its present stage of evolution, the chief and almost the only prospect before the young man in America to-day is the prospect of spending his life as somebody's hired man.

I think you will find that quite unassailable in any way you may turn it, and generally as applicable to a professional as to a commercial career.

The great feature of the changes going on to-day in the social structure is the elimination of the man that is independent.

I know that in many ways this is deplorable and even pathetic, and we might wish it otherwise, but evolution takes no heed of sentiment; and this is evolution.

I confess, also, that about the situation of the independent trader fighting single-handed against tremendous odds is something that moves all the

sympathies of all lovers of fair play. He is alone; the department store or the great corporation that he is combating is an army. He is poor; his enemy is rich. He fights with his unaided wits and from an exposed position; his enemy has many heads, and shelter behind a vast fortress. At any moment he may be overwhelmed; by no chance can he overwhelm his enemy.

Even the coolest blood must stir a little over that kind of warfare.

So he goes, the independent man; trying to meet the cuts in prices; trying to buy with a thousand dollars of capital as cheaply as his enemy can buy, with a million; trying to make his store bright and attractive; trying to hold his customers, to pay his rent and to meet his bills falling due; trying to keep his head above water and his reputation right as an American merchant; trying to provide for his family after his favorite ideals. He understands now that he will never make a fortune nor a competence from his enterprise; that is a lost hope. All his ambition is narrowed to keeping his enterprise alive and causing it to yield a livelihood. And in spite of all, he loses it sometimes and takes his place with other salaried employees of Organized Business; a cog in an illimit-

able machine, with a time-check on his comings and goings and fines for his delinquencies.

It is a melancholy story. No wonder men revolt from it. Indeed, we all revolt from it. We heartily wish it were not true.

More and more in the cities and towns the independent business man is being overwhelmed by the advance of the department store, while in the country and in the small towns loom the mail-order house and the "chain."

The natural impulse is to think that these changes must be due to the evil ways and inordinate greed of certain men, and that our first duty is to restrain such men. As a matter of fact, no conceivable power can stop these developments, and they have nothing to do with the greed of any man. They are simply Business in the present stage of evolution. Greater economies, greater efficiency, greater profits lie in combination, concentration, organization, the simplification of processes. That is all — and enough. Human power could not check any such development any more than it could reverse the sea-tides.

All lines of commercial activity are profoundly affected by this mutation. For years we have been familiar with the progress of the Trust movement in enterprises requiring great capital, as in

transportation and manufacturing. Possibly we have not always noted that the same development is rapidly changing over retail trade from an inorganic to an organic state. Yet it is.

Take the most familiar and necessary divisions of retail trade. Take a thing as familiar as the corner grocery. For years it has been subjected to the increasing competition of the department store. What is left from that struggle seems doomed now to be absorbed into the newly evolved "chain," which is consolidation under another name. All persons can not journey to the department store to purchase all their supplies, but the neighborhood grocery store that lies by their doors may be as much a part of the combination and as much of a machine as any department store. And that is what is now going on. The independent grocer is being eliminated. One combination in New York City now owns a hundred and ninety grocery stores and steadily adds to its list. It is by no means alone in the city or country. Another "chain," extends through the Eastern States and has operated in the smaller towns with no less success, while a third great "chain" is developing in the South.

Wherever a "chain store" appears it means an

independent tradesman turned into a wage-earning employée.

Or take the drug store. Two companies in New York now own or control nearly one-fourth of the drug stores in the city and will certainly continue to absorb others. Twenty-five years ago the ambition and assured expectation of every young man that studied pharmacy was to have a drug store of his own. To-day his expectation is to obtain a salaried position with some company that owns one of the "chains" stretching about the country. Not only have the "chains" absorbed a great part of the drug business, but the next inevitable step has even now begun. These "chains" are now in process of assimilation by the two great Central Interests in finance that control the greater part of the money supply and therefore will inevitably continue to absorb one developed enterprise after another. Within a year of this writing one of these "chains" of drug stores has fallen into the hands of the American Tobacco Interests, which in turn are a part of the Standard Oil group. What chance of competition does that leave to the independent druggist?

Or shall we take the shoe trade? The great

shoe manufacturing companies with their hundreds of retail stores have made the independent shoe dealer comparatively rare and will make him rarer. When the great company undertakes not only to make the shoe, but to vend it and to eliminate all profits between, what chance on earth has the middleman?

Or shall we take bakeries? Early in 1910 a hundred and sixty independent bakeries in New York City were absorbed into one company with \$6,000,000 capital. Of this "chain" company each formerly independent bakery is now a branch with a salaried manager in the place where he was once owner. The success of this enterprise is already so apparent that another on similar lines is being formed, to be followed doubtless by still others.

Or shall we take confectionery? You must have noticed in every considerable city, confectionery stores with the same name, but you may not be aware that this name covers a steadily lengthening "chain" nor that it is already controlled by one of the final powers of American Business. But you surely must have observed that in these days the cigar and confectionery counters are two very important adjuncts in the typical drug store, and you should be interested to

know next that the American Tobacco group, which has lately gone so heavily into the retail drug business, can now supply its own drug stores with its own cigars and its own confectionery.

Against such a condition competition by the druggist not yet absorbed must seem like a forlorn hope.

Or shall we take restaurant keeping? The Standard Oil interests control one "chain" of restaurants and the American Tobacco interests control another.

Or printing? One house in New York issues and prints twenty periodicals, and the small independent printer, like the small independent publisher, is disappearing.

Milk? The Central Interests own the Milk Trust.

Foundries or iron works? The Steel Trust looks after them.

Tobacco? The United Cigar Stores Company owns about seven hundred retail stores (operated in its own name) and will own many more when the present chances of litigation are removed.

Machinery? Largely controlled by institutions like the American Shoe Manufacturing Trust, a particularly vicious form of these combinations.

Men's clothing? Passing into the "chain" sys-

tem. One company owns thirty-seven clothing stores in the West; another has 172 in the East.

Banks? Owned or controlled chiefly by the Standard Oil, Morgan or Beef Trust "chains."

Butcher shops? Under process of absorption through the absorbed grocery stores, or becoming practically the agencies for the Beef Trust.

Dry-goods of all kinds, stationery, toys, furniture, carpets and rugs, millinery, hats, drugs, clothing, notions, cigars and tobacco, books, periodicals, trunks and travelers' requisites, dentistry, lamps, crockery, glassware, stoves, men's furnishings, umbrellas, pianos and other musical instruments, sheet-music, pictures, dressmaking, harness, shoes, all kinds of leather goods, and some other things are usually included in the department stores.

The department stores constantly increase in number and in size.

What does that mean?

It means that the men that in a past generation would have been independent merchants are now the employees of these stores, and never can be anything else: employees on wages with time-checks, fines, and their daily work dependent upon a manager's caprice. That is their prospect in

life. It is hard (in some of its aspects), and we dislike to admit it, but it is the truth.

The gigantic department stores and mail-order houses are built of the ruins of independent stores, just as the Christian churches of Rome were built of the fragments of the old temples; and each independent store destroyed is an independent merchant turned into a salaried employee.

Staples were long ago monopolized in their original supply. Transportation, coal, oil, artificial light and heat, sugar, flour (to a great extent), woolens, cottons, rubber, leather, paper, meat, matches, iron and steel, all are controlled by trusts. The substance of the new movement is that these and all other things that men must have are to be supplied to him directly by similar agencies, to be consolidated gradually as the process continues.

Of all this no doubt can be left in the observant mind.

First the small combination, then the larger; then all to find their way into a comparatively few gigantic organizations such as those we now see directed by the Morgan interests or the Standard Oil Company or similar groups. . At no time a halt in the process nor a backward turn of evolu-

tion, but one continued advance from the day of the first partnership to the day of the colossal trust.

Is it any wonder that these combinations that now so largely represent Business in its totality — represent, that is, the supplying of man's necessities — have become the Power Behind the Republic against which blind men thunder in vain?

I have here two little lists that indicate (as an example of our present stage in the development) a part of the activities of the men comprising two of these great groups. It is incomplete because it gives in one instance only the names of the companies in which the Standard Oil men are directors, and in the other only the companies that the American Tobacco Company was recently found to be secretly operating. Yet it is worth your study:

I. Standard Oil Group.

JAMES STILLMAN

Audit Company of New York.
Baltimore and Ohio Railroad Company.
Bowery Savings Bank.
Chicago and Northwestern Railway Company.
Citizens' Central National Bank.
Delaware, Lackawanna and Western Railroad Company.

THE HEART OF THE NATION 261

Dunkirk, Allegheny Valley and Pittsburg Railroad Company.
Fidelity Bank.
Fidelity Trust Company.
Fifth Avenue Safe Deposit Company.
Hanover National Bank.
Lincoln National Bank.
Lincoln Safe Deposit Company.
Louisiana Western Railroad Company.
Michigan Central Railroad Company.
Mohawk and Malone Railroad Company.
Morris and Essex Railroad Company.
National Butchers and Drovers' Bank.
National City Bank.
New York and Harlem Railroad Company.
New York and Ottawa Railroad Company.
New York and Putnam Railroad Company.
New York Central and Hudson River Railroad Company.
New York, Chicago and St. Louis Railroad Company.
New York State Realty and Terminal Company.
New York Trust Company.
Newport Trust Company.
North British and Mercantile Insurance Company of London.
North British and Mercantile Insurance Company of New York.
Queens Insurance Company of North America.
Riggs National Bank of Washington.
Rutland Railroad Company.
St. Lawrence and Adirondack Railway Company.
Second National Bank.
Syracuse, Geneva and Corning Railroad Company.
Terminal Railway Company of Buffalo.
Terminal Warehouse Company.

United States Trust Company.
West Shore Railroad Company.
Western Union Telegraph Company.

JOHN D. ROCKEFELLER

American Linseed Oil Company.
Delaware, Lackawanna and Western Railroad Company.
Standard Oil.
United States Steel.

JOHN D. ARCHBOLD

Standard Oil.
National Fuel and Gas Company.
National Transit Company.
New York Trust Company.

O. H. PAYNE

American Tobacco Company.
Chihuahua Mining Company.
Coal Creek Mining Company.
Great Northern Paper Company.
Interlake Pulp and Paper Company.
International Cigar Machinery Company.
International Railroad Company.
International Traction Company.
New York Loan and Improvement Company.
Standard Oil.
Tintic Company.
Virginia and Southwestern Railroad Company.

H. C. FOLGER, JR.

Standard Oil.
Tidewater Oil Company.
Tidewater Pipe Company.

THE HEART OF THE NATION 263

H. H. ROGERS, JR.

Amalgamated Copper Company.
Atlantic Coast Electric Railway Company.
Atlas Tank Company.
Boylston Manufacturing Company.
National Copper Bank of New York.
Richmond Light and Railway Company.
Southfield Beach Railway Company.
Staten Island and Midland Railway Company.
Virginia Railway.

WALTER JENNINGS

National Fuel Company.
National Transit Company.
New York Trust Company.
Standard Oil.

F. Q. BARSTOW

American La France Fire Engine Company.
Corn Products Refining Company.
Hegeman and Company.
Railway Steel Spring Company.
Standard Oil.
Thompson-Starrett Company.

H. M. FLAGLER

Cuba Company.
Florida East Coast Railway Company.
Jacksonville Terminal Company.
Morton Trust Company.
New York Trust Company.
Peninsular and Occidental Steamship Company.
Standard Oil.
Western Union.

CHARLES M. PRATT

Hoagland Laboratory.
Long Island Railroad Company.
Mechanics' National Bank.
Metropolitan Trust Company.
New England Navigation Company.
New York, New Haven and Hartford Railroad Company.
American Express Company.
Brooklyn City Railroad Company.
Brooklyn Trust Company.
Chelsea Fibre Mills.
Corn Products Refining Company.
Pratt and Lambert.
Self-Winding Clock Company.
Standard Oil.
Union Mortgage Company.

C. W. HARKNESS

Chicago, Milwaukee and St. Paul Railroad Company.
New York Trust Company.
Standard Oil.

J. A. MOFFETT

Corn Products Company.
National Transit Company.
New York Transit Company.
Standard Oil.

JOHN D. ROCKEFELLER, JR.

American Linseed Co.
Delaware, Lackawanna and Western Railroad Company.
Standard Oil of New York.

H. M. TILFORD

Gilbert and Barker Manufacturing Company.
Standard Oil.

W. C. TEAGLE

Triple Gas Company.

WILLIAM ROCKEFELLER

Standard Oil Company.
Amalgamated Copper Company.
Anaconda Copper Mining Company.
Brooklyn Union Gas Company.
Central New England Railway Company.
Chicago, Milwaukee and St. Paul Railroad Company.
Cleveland, Cincinnati, Chicago and St. Louis Railway.
New York Mutual Gas Light Company.
New York, New Haven and Hartford Railroad Company.
New York, Ontario and Western Railway Company.
New York State Realty and Terminal Company.
Pittsburg and Lake Erie Railroad Company.
Poughkeepsie Bridge Railroad Company.
Rutland Railroad Company.
St. Lawrence and Adirondack Railroad Company.
Standard Oil Company of New York.
United Metal Selling Company.
United States Trust Company.
West Shore Railroad Company.
Consolidated Gas Company.
Delaware, Lackawanna and Western Railroad Company.
Dunkirk, Allegheny Valley and Pittsburg Railroad Co.
Hanover National Bank.
Harlem River and Portchester Railroad Company.
Hartford and Connecticut Western Railroad Company.
Lake Erie and Western Railroad Company.

Lake Shore and Michigan Southern Railroad Company.
 Michigan Central Railroad Company.
 Mohawk and Malone Railroad Company.
 National City Bank of New York.
 New England Navigation Company.
 New York and Harlem Railroad Company.
 New York and Ottawa Railroad Company.
 New York and Putnam Railroad Company.
 New York Central and Hudson River Railroad.
 New York, Chicago and St. Louis Railroad.

Besides these interests this group has many others, including the Borden Milk Company, American Casket Company, the Hegeman drug stores and Child's restaurants.

2. The American Tobacco list is as follows:

Nall & Williams Company, Louisville, Ky.
 R. A. Patterson Tobacco Company, Richmond, Va.
 (Smoking and plug)
 Bland Tobacco Company, Petersburg, Va. (Plug)
 B. Leidersdorf Company, Milwaukee, Wis.
 F. R. Penn Tobacco Company, Reidsville, N. C. (Smoking and plug)
 Queen City Tobacco Company, Cincinnati, O. (Scrap)
 Day & Night Tobacco Company, Cincinnati, O. (Scrap)
 Craft Tobacco Company, New Orleans, La. (Cigarettes)
 Michigan Tobacco Company, Detroit, Mich.
 Pinkerton Tobacco Company, Zanesville, O. (Scrap)
 Wells-Whitehead Tobacco Co., Wilson, N. C. (Cigarettes)
 H. N. Martin Tobacco Company, Louisville, Ky. (Plug)

Reynolds Tobacco Company, Bristol, Tenn. (Smoking)
Manufacturer's Tobacco Company, Louisville, Ky. (Plug
and smoking)
D. H. Spencer & Sons, Martinsville, Va.
Lipfert-Scales Company, Winston, N. C. (Plug)
J. S. Young Company, Baltimore, Md. (Licorice)
Johnston Tin Foil and Metal Company, St. Louis, Mo.
United Cigar Stores Company.
Standard Snuff Company, Nashville, Tenn. (Snuff)
Nashville Tobacco Works, Nashville, Tenn. (Plug and
smoking)

Besides these, of course, are the Morgan interests, having such ramifications as only an expert could assume to follow. We know in a general way that the Morgan investments include banks, railroads, trust companies, steamship and steamboat lines, coal-mines, the Steel Trust, machinery, manufacturing and wholesale enterprises, and that almost weekly the master hand is revealed in a new activity. Lately Mr. Morgan has founded a \$500,000,000 automobile trust and has absorbed into it five of the largest automobile factories in the country.

These indicate some of the connections that radiate in a thousand directions not generally suspected. Kindly note: only some of the connections.

Through the Chicago, Milwaukee and St. Paul Railroad and their banks the Standard Oil Interests touch hands with the Beef Trust; through their coal railroads with the great Coal Trust; through Mr. Payne with the Tobacco company; through the International Paper Company with the Paper Trust; through many traction holdings with the Street Railroad Trust; through the electric light holdings with the electric light combination; through Hegeman & Company with the drug store combination; through gas holdings with the gas combination; through Amalgamated Copper with the great copper combination; through many bank holdings with bank "chains"; through Mr. Moffet and Mr. Pratt with the Glucose Trust; and so on through a catalogue that I should but weary you to relate.

Contemplate these facts and observe next the list of railroads in which these gentlemen are directors. Add to these the railroads like the Union and Southern Pacific controlled by the same interests without open acknowledgment. Add to that the railroads controlled by their close allies, and the total amounts to about two-thirds of the railroad mileage of the United States.

The conclusion then is obvious. A tremendous force is at work drawing all kinds of enterprises

into combinations and these into greater combinations. This is the way of Business.

Against these operations legislative enactments of all kinds, National and State, have been employed for twenty years without result.

It is now gravely proposed that we shall continue to tinker these footless laws, issue further bulls against comets and perform other feats for the laughter of the generations to come. After a twenty years' demonstration of the folly of the Sherman Act, we want to experiment with it further. After trying for twenty-three years to curb the railroads with one foolish court we are about to try to curb them with two foolish courts.

Is that really the best we can do?

How should we fare if instead of more comedy of this sort we were to recognize things as they are?

Thus: Business is not a bad thing but a good thing. It is not to be repressed but encouraged. It is not to be hampered but made free. It is engaged in supplying man's necessities; the most useful and therefore the most honorable of all undertakings. It is going through a process of evolution. True, it has not always been wise, for it is allowing poverty and the slums to increase alarmingly upon us; it has unwittingly created a

machine for the production of paupers; it has tolerated and fostered corruption; it has erected the means for its own destruction and our grave peril.

Yet we may freely admit that it has done the best it could with the light it had, and it has not been conducted by bad men but by good.

It seems now to have reached or to be reaching the stage where it has carried on the world's work as far as it can. On one hand it is making of the generality of men the servants of a few groups of Interests, and on the other, while it is absorbing the nation's wealth into the hands of these groups, it begins to fail of the adequate supply that men must have.

Looking at the first of these phases, the process we have been noting by which we are all shortly to be the hired men of some Interest, it is clear that the purpose of our employment then will be to increase the private fortunes of Mr. Morgan, Mr. Rockefeller and some other men already very rich. How would it do, instead, to be hired men of the community, and to have for the purpose of our employment the profit of the Common Good?

In other words, is it not true that the next inevitable stage of Business will be Business con-

ducted for the communal profit instead of Business conducted for the profit of Mr. Morgan and the Standard Oil Company?

Is, in fact, anything else possible? We can not go back to the days of competition. I take it that as a nation we are unwilling to devote all our lives to the augmenting of a few swollen fortunes, even if there were not terrible and inevitable evils attendant upon such a condition. Yet, as the individual can no longer work for himself in the old way, is it not reasonably clear that he is next to work for himself by working for us all?

Is there anything else for us to do if we are not to fall into a state of industrial servitude? I put the question in no argumentative way. If any one that does me the honor to read these lines can suggest any other possible trend of evolution or any other outcome of Business, I shall be glad to have it mentioned to me, for so far I have not heard of one nor heard of anybody that has so heard.

Business above all; it is man's indispensable supply; but Business for the good of the community, not for the piling up of useless fortunes that embarrass as much as they degrade the possessors.

Let me give a concrete illustration. Take the

one primal necessity of transportation, in the present stage of Business supplied to us by one of these great combinations. Take transportation within our cities.

The streets and avenues of a city belong to the people thereof and to no one else. Years ago we chose to surrender some of these highways of ours into the exclusive possession of a few individuals that have used such highways to draw from us great fortunes. In return they have given us an inferior kind of transportation, and, as a rule, they have also inflicted upon us deadly injuries from which we shall not recover for many years.

Observe, for instance, the case of Philadelphia, which furnishes an exact epitome of all that we have been considering.

First, there were many separate street railroad enterprises; twenty or more, I think. Then these underwent the inevitable process of consolidation and reappeared in about five groups. Then the five groups were combined into two large groups and these two became one.

Each stage of this process was marked (as always) by the issuing of additional securities based upon the saving of expenses and increase of income to be achieved by the consolidation.

With the final fusion of groups the mass of securities had become enormous. Naturally it was in effect a heavy annual tax upon the community, which must furnish the dividends and interest these securities required.

To maintain itself in its privileges in the streets, each original company, each successive company, and the final combined company were obliged to corrupt the city government.

This they did methodically and thoroughly. In combination with other corporations similarly situated, they made the government of Philadelphia the most corrupt in modern times, and possibly the most corrupt in history.

All the money expended in maintaining this corruption was (in effect) charged to the capitalization on which the public must pay the interest and dividends. In other words, the community paid with its own money to be despoiled of its own streets and to have its own public servants corrupted. It continues to pay on these charges, and will so long as the system endures.

Because of the extent of the capitalization and the great sums that must be earned thereon, the company renders an inadequate service and underpays its employees. The cars are insufficient in number, shockingly overcrowded, dirty and

slow. By the practise of these impositions the company secures the increased revenue it must have to pay its interest charges.

The underpaid employees strike. That is to say, the community's supply of one primal necessity stops. The part of Business engaged in furnishing this supply fails to perform its function. In consequence the community suffers great discomforts. The transportation it must have is denied it.

The city Government attempts with force to break the strike. The people, sympathizing with the strikers and hating the company, resent the action of the city Government. Then rioting begins in the streets, persons are killed or maimed, and the rest of the world looks with disgust upon a state of practical civil war.

Here are two undeniable facts about this situation:

1. If the company had never capitalized any "latent value" in its enterprise, never issued any stock beyond a cash investment, never spent money for corruption, never maintained a political machine, it could afford to pay all of its employees liberal wages and afford to give the public a good service.

2. Under the existing system and conditions,

the capitalizing of the "latent values" was not only legal, but absolutely right. In no other way could the consolidations have been made; in no other way could the value of the property have been realized.

So long as we have the present system we must have this process of consolidation. So long as we have this process we must have the capitalizing of latent values. So long as we have the capitalizing of latent values, we shall have results like those in Philadelphia.

But in most of the cities of Great Britain, of the Continent of Europe, of Australia, of New Zealand, and elsewhere on the earth, any such situation as that in Philadelphia would be utterly impossible, because in those cities the community's primal necessity of transportation is not supplied by private enterprise for private greed, but by the community for the community's sole benefit.

In the transportation systems of these cities there is no capitalizing of latent values, no piling up of unwarrantable securities on which interest and dividends must be paid, no illegitimate privileges secured by corruption, no franchises secured by bribery, no public service impoverished and drained to make private fortunes. There used to be such things when the public transportation sys-

ply was administered for private greed, but now it is administered by the community for the community's sole benefit.

You will observe how different is the situation in Philadelphia and other American cities.

Yet we must multiply the example of our street railroad system many times and into many kinds of necessary supplies if we wish to judge accurately of our condition and of the way along which we are progressing. If, for instance, we turn from the street railroads with a capitalization of three-fourths of what is called water, to the steam railroads with more than half water, and the industrial trusts with sometimes four-fifths of water, and reflect that all our supplies are now passing over to corporations thus organized, it is evident that we confront an astonishing and unprecedented situation.

More than this, it promises soon to become impossible. There is not wealth enough in the country to sustain any such system. All of these great corporations are accumulating at a faster rate than the nation's growth in total wealth. They are therefore obviously doomed to collapse of themselves, and to cease to be the Business that furnishes us with our necessary supplies.

Nor need this change cause us any concern.

The present method, although unavoidable at this stage of Business, is eminently illogical and absurd, if we once stop judicially to consider it. The result of its operation is to draw from the community great fortunes for private owners. But of what possible benefit to us are these great fortunes? We derive nothing from them. Our only interest is that we shall be supplied with the things we need and these fortunes are merely an unnecessary tribute levied upon us for a service that we can have without any such tribute.

Take for illustration, this same matter of intramural transportation. Mr. Yerkes in Chicago made from it in fifteen years a fortune of \$40,000,000. The people of Chicago derived nothing from that fortune. It meant nothing to them except many years of extreme discomfort, insufficient service, the final wreck of their system and its eventual rescue at a new and burdensome cost to themselves.

Or take the steam railroads. Mr. Hill, Mr. Morgan and others derive from the supply of this form of transportation an incalculable wealth. But that they should grow rich rapidly confers no benefit upon us.

The same conclusions pertain to the other supplies now furnished in the present stage of Busi-

ness for private gain instead of for the Common Good. It is of no benefit to us that this man or that makes so many hundred millions by controlling the supply of some staple. Our only concern is that we shall have meat, flour, coal, and the other necessities by which man supports his life, and all these fortunes are merely artificial tributes levied upon us for supplies that we can have without any such tributes.

And we should note next that Business so conducted would obviate every evil we have been considering. The slums would not spread under Business for the Common Good, but would be destroyed; disease would not be disseminated but lessened; crime would not be fostered but abated. Business would have no need to buy legislatures, to maintain Cannons and Aldriches, to violate the laws about land under the sidewalks, to support corrupt city administrations. All these evils result solely from Business conducted for private profit. Business for the general welfare would have no other impulse.

What we are to bear in mind then, is this, that in the political upheavals that are before us, nothing will be gained by adopting any policy, offered by any party, that proposes merely to regulate, to curb, to restrain, or to hamper the present sys-

tem of supplying man with the things he needs, the system we designate as Business. But year by year there will arise a party that will insist upon the great fundamental principle that the present system has fulfilled its mission upon earth and is now become over-ripe and rotten. It will insist that the supply of man's necessities is far too important in his life to be owned and controlled for the profit of a few individuals. It will insist that there is now beginning upon the earth another great epoch in the story of man and that this fact must be understood and recognized. It will insist that as Serfdom ran its course and gave way to Feudalism, and Feudalism ran its course and gave way to Capitalism, the existing system, so Capitalism has now run its course and must now give way to a system under which the communal interests shall supplant the interests of personal greed and aggrandizement. That system we call Socialism.

The party that will contend for this great forward step is already organized, equipped and actively engaged in educational work. The number of its adherents is steadily increasing. At the election of 1910 it cast more than 750,000 votes. It alone has for the definite economic problems now confronting the world a definite economic pro-

gram. It alone purposes to right the huge economic injustice under which labor creates wealth but does not possess the wealth that it creates. For each of the ills now threatening us it alone offers any possible remedy; for the plan that it presents would for the first time in the history of the world give to all men an equal opportunity for life, comfort, decency, happiness and education.

The appearance of a party with such aims is of far more importance than anything else that has ever occurred in the political history of America.

Business for the Common Good, instead of Business for Private Greed — that is the message of Socialism.

At all times and under all conditions Man in the mass is the only subject worth thinking about or legislating for. Day by day this becomes more and more apparent around the globe, and none of its manifestations is so important as this impending change in Business by which it shall be conducted for the sake of Man in the mass and not for the sake of a fortunate and overfed class. So far as men have been able to foresee, this is the certain trend of evolution. To agitate, to complain, to demand restrictive legislation, to fulminate, to try to distinguish between good

trusts and bad trusts, to denounce, to regret the days that are past, to prosecute, and to indict, are equally vain and equally foolish. Nothing will come of these employments but some very sorry spectacles. We live in the twentieth century, not in the fifth. We ought to be as willing to admit economic as geological facts, and the age of competition has passed from this earth as surely as the age of shellfish. Now comes the age of Man.

Business is right, necessary, honorable, and not without sound reason. It is to-day the Power Behind the Republic. All it needs is to be democratized that it may become Man's best friend and the People's chief bulwark instead of that peril that now appals us all.

CHAPTER X

VIEWS OF THE CAVE DWELLERS AND OTHERS

PROPHECY is the most hazardous of human employments; but historic analogy is usually secure, for the reason that so far man has made by a series of spirals his slow ascent from the jungle, so that looking back he can see the path he has traversed and estimate the path to come.

Reverting to the parallel between present-day conditions and the political convulsions before the Civil War, the probability appears very strong that out of the collapsing party allegiances and failing issues the new battle line will be drawn over this question about the future of Business, and over nothing else.

One may reasonably conclude that the time is close at hand when there will be but two parties in this country, the Socialist party and its opponent. I do not know what will be the name of the Anti-Socialist party, but that is unimportant. It will be either the Republican party or the Democratic party, but not both; for there will be neither need

nor room for two Anti-Socialist parties. One may also believe that the Insurgents will repeat the history of the Free Soilers, whom they so closely resemble, and the sincere among them will be drawn into the Socialist ranks; at least to imagine another destiny for them would puzzle any observer capable of seeing farther than his hand.

In this coming contest the position of the Socialist party will be that the way to save the nation from the Autocracy of the Interests, and at the same time the way to save Business and maintain it as man's source of supplies, is to own it and operate it by and for the Community.

This being in exact line with the trend of all evolution and inevitable progress, the Socialists will win.

They have, moreover, fighting on their side to accelerate their victory, the greatest of all conceivable sources of strength. Their cause is based upon a great moral idea.

The Socialist looks about the world and perceives that at present the majority of men, women and children live in poverty, insufficiency, and physical misery; that the majority of men sustain their lives in drudging and monotonous toil by which they create wealth for others, but not for themselves; that these conditions result solely from

the present manner in which Business is conducted; that they are as unnecessary as they are abnormal. He also perceives clearly that so long as Business, which is the supplying of man's necessities, is conducted for Private Gain it will produce increasing slums on one side and increasing superfluity on the other. So long as this condition endures the majority of children born into the world will be foredoomed to lives of darkness, ignorance, destitution and monotonous toil; and only a minority of the children of the earth will have an opportunity to live in the true sense of the word, to enjoy the years of their lives and the beautiful world into which they are sent. Yet in this world is an abundance and even superabundance for all; so that for the destitution of even one of the children of earth there is no good reason.

Looking upon all this strange spectacle the Socialist says that nothing else is of any importance but that man should be emancipated from a thralldom so gross and so unnecessary. He says that until man has a chance to live and to have comfort, joy, light, and hope, nothing else is worth talking or thinking about. He perceives that the mission of Socialism, or Business for the Common Good, is to put an end to these monstrous conditions, and in this respect the Socialist movement be-

ing without selfish taint, is the noblest and loftiest ever known among men.

For this reason he looks far beyond the rising revolt of the people against the Interests in America and perceives that conflict to be only a skirmish in a world-wide battle line for the sake of man.

This being the fundamental faith of the Socialist party, evidently it will present in the coming campaign an entirely new force in politics; for it will not strive merely to win offices nor power nor success at the polls but will follow a vast program stretched out over many years and dealing with the most important problems that ever confronted human society. It is because the proposal of Socialism is not merely to put somebody into office, is not to regulate evils but to extirpate them, is not merely for to-day but for all time, that it can never be corrupted by its foes as the Democratic party was and the Republican party. The Interests can never be of the slightest danger to a successful Socialist party because under Socialism there will be no Interests. Business can never threaten a Socialist administration because under Socialism Business will be conducted for the community, not for the fortunate individual. Finally, success cannot undermine or poison the Socialist

party because the only success Socialism seeks or admits is altruistic.

Anything in the world may be defeated except a moral idea.

Yet Socialism is as truly practical and as much for present-day conditions as it is moral. In this country much has been made of difficulties imagined to lie in its way and there is a strange disposition manifested to boggle over the exact methods by which the various forms of Business are to be taken over for the Common Good; as if the method were more important than the fact, and as if never before in the history of the world had any community done anything for itself. About these singular delusions here are a few observations:

1. There never has been any improvement or forward step that was not clearly demonstrated in advance to be Utopian, chimerical, impossible, a mere dream or Something Fitted for only an Ideal State of Society. When Gladstone proposed to enlarge the franchise in England men proved conclusively that the change would ruin the country. When the Suez Canal was begun an eminent engineer showed that the whole scheme was insane because the Red Sea was 27 feet higher than the Mediterranean. The impossibility of the steam railroad was many times established and a thou-

sand scientists have proved on paper that aviation is impossible. In all ages a certain order of mind has found delight in these employments; but while they have sometimes compelled new inventions to be concealed or to be operated temporarily in cellars they have never greatly impeded the march of progress. Evolution takes no heed of arguments, pleas, demonstrations, cave-dwellers, or troglodytes, but in spite of all these powerful influences pursues unchecked its steadfast way.

What that way is in regard to such matters as these I may indicate by two brief references to history.

Three hundred years ago the lighting of public streets in cities and towns was a matter of individual enterprise. Every householder was supposed to have a lantern before his door. In practice this was found to be a duty the householder was prone to neglect. Hence the Shermans, Tafts, and Roosevelts of that day had recourse to the handy *materia medica* of Regulation. They passed laws to compel the householder to hang out the lantern. Now it was perfectly apparent all the time that the lighting of the streets was for the common use and the common advantage; hence it was essentially a communal function. After a time certain persons began to suggest that this

communal function ought to be exercised by the community; that is, the city should undertake to light the streets.

At this a howl went up. "How are you going to do it?" men asked, and "Do you want to deprive the world of the incentive that lies in individual lighting?" But the community took up its communal function, nevertheless, and now the lantern before the householder's door is only a reminiscence.

How is lighting the streets any more a communal function than transportation in the streets?

Similarly every house had once its own well, cistern, or spring. But men perceived about this two things; first, that water was a common necessity and therefore it should be furnished in common; and second, that to relegate the supply to individual effort was to imperil both its quality and quantity. Hence the community undertook also this communal function.

How is the supplying of water any more of a communal function than the supplying of artificial heat?

Or if we desire to trace still farther the development of combined effort, we may profitably run over the history of nations from a million separate tribes up to a vast articulated machine like

the German Empire; or the history of business houses from the first co-partnership in the thirteenth century to the colossal Standard Oil Company; or the history of navigation from the canoe of one man to the Atlantic steamship one thousand feet long and transporting three thousand souls.

The original cave-dweller doubtless lived very much alone and was almost ideally individualistic. A cave, a mate, and a piece of raw meat constituted his ideal of life. In those days communal functions and communal efforts were alike unnecessary, but in a stage of evolution of which the most prominent feature is the inter-dependence of men upon men, where all the race is bound together by communication and interest, the conditions and necessities are very different. Compared with that vast alteration the next step indicated by evolution and urged by the Socialists is very small; but as the intellectual heirs of the original cave-dwellers are not yet aware of the passing of the Stone Age they can hardly be expected to perceive the exigencies created by consolidated capital on one hand and the growing slum on the other.

2. But as to the exact method in which Business shall be democratized and become communal (supposing for the moment some importance to pertain to this overworked question) only those

that pay no heed to the progress of the world and its ideas need suggestions on this point. While such persons are worrying or querying about ways and means, the rest of mankind is rapidly solving the problem. When Prussia was ready to take over her railroads she allowed no dreamy troglodyte to stand in her way; she went directly into the market and bought enough stock to give her the control that she wished. When she desired coal mines for the Common Good she went forth and bought them. When Mexico found that she had suffered long enough from the predations of Wall Street, she followed Prussia's example. Switzerland and Japan have taken over their railroads on the basis of a definite appraisal. New Zealand has bought railroads, coal mines, and anything else that she has desired. In the last fifteen years private enterprises aggregating billions upon billions of dollars in value have been acquired and operated by Governments of all kinds from the German Empire to the English village, and none of these has found greater difficulty in buying a street railroad than in buying a ham. In both cases the operation seems to be about the same and equally complex. There is no American community that has found purchase by condemnation proceedings to be extremely difficult

when it has desired to open a new highway or erect a new building. Even a cave-dweller would be puzzled to say why there should be any greater difficulties in the way of acquiring other property the community may need. For my part I am unwilling to concede that the average intelligence of the American community is so much below the average intelligence of the European community that what the Europeans do easily we cannot do at all; though I admit that if I inhabited a cave this and other matters might wear a very different aspect to me.

Manifestly we are but dealing in a contradiction in terms when we say that we can organize and operate great enterprises for the benefit of Mr. Morgan and Mr. Rockefeller, but we cannot organize and operate them for the benefit of ourselves.

However, discussion on these points is idle. While we discuss, the slum grows, poverty spreads, insanity increases, and the economic condition of the majority of the population steadily declines. The first thing for us to decide is whether we wish these processes to continue or wish them to stop.

THE END

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